

**A MANUAL**

**OF**

**POLITICAL ECONOMY.**

**BY**

**THOMAS COOPER, M. D.**

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DISTRICT OF COLUMBIA, TO WIT:

Be it remembered that, on the 29th day of November, Anno Domini eighteen hundred and thirty-three, Duff Green, of the said District, deposited in this office the title of a book, the title of which is in the words following: "A Manual of Political Economy, by Thomas Cooper, M. D.," the right whereof he claims as proprietor, in conformity with an act of Congress, entitled "An act to amend the several acts respecting copy rights."

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EDM. I. LEE, C. D. C.



## PREFACE.

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I believe the following manual will be found to contain the chief doctrines of the modern school of political economy, so far as they are applicable to the condition of the people of the U. States. Indeed, the example of Great Britain is not to be entirely neglected, for many circumstances of that country are on their road to take their places here also.

It is melancholy for an American to know and to feel that, at this day, the elementary truths of a science on which all the reflecting men of the old country are fully agreed, should be matters of dispute in the Congress of the United States; and that our most prominent statesmen should disgrace themselves by contesting the plainest axioms of modern knowledge. The next generation will be wiser, and look back with the same surprise that I do.

The few pages I now offer, will, I hope, tend to dispel the mists that obscure the prospect before us.

THOMAS COOPER, M. D.

COLUMBIA, S. C. Oct. 1833.



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# A MANUAL OF POLITICAL ECONOMY.

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## *Elementary notions of Political Economy.*

For men to live, they must have food and drink, clothing, shelter, and firing. To obtain these, they must labor. Nature furnishes the raw materials of ground to be tilled, seeds to be sown, fruits to be gathered; fire, air, earth, and water, to be converted into machinery by skill, combined with labor.

By LABOR, is meant the bodily labor of a human being—the mere exertion of human strength, unassisted by acquired skill, and without counting the aid of tools or machinery. This may be considered as one-seventh the power of a horse, or equivalent to the force required to raise 32 pounds ten feet high within one minute of time.

Mental labor, or thought, though of prodigious value, is too indefinite and complicated to come within the consideration of political economy, unless in a general way.

Let us consider the progress of savage life, as we know it, over the Rocky Mountains, in the



isles of the Pacific, in New Zealand, and other places.

When a human creature has obtained, by gathering with his hands enough to satisfy hunger and thirst, he is tempted to continue his labor to produce tools that will render future exertion more easy and productive. He makes his bow and arrows, his stone hatchet, his canoe, his log cabin, his clothing of deer and bear skins. This is labor saved, accumulated, invested, for the purpose of making his mere bodily labor in future more effectual and productive. These articles in which labor is thus accumulated, is CAPITAL. In the progress of civilization, a cabin becomes a house, then come a manufactory, a palace, a loom, a cotton mill, a stocking-frame a boat, a ship, a mill-dam, a pump, hydraulic engines, steam engines, and all the modern investments of accumulated labor in the various useful and productive forms that capital assumes. The purpose being to facilitate and increase the production of articles that contribute to human necessities, human wants, human comforts, and human pleasures and gratifications.

The abundant possession of such articles, or of others that by common agreement possess exchangeable value, and can be bartered for them, is WEALTH. As, by common consent, current *money* is the usual measure of value applied to all articles of production, the surplus accu-



mulation is usually made in money; hence money in plenty, in common parlance, is WEALTH.

What a man produces and receives by his own labor, or the labor of others, as the earnings of his exertions, is INCOME: what he expends out of that income for his necessities or his gratifications, is EXPENDITURE: what he saves out of his income, and invests, or accumulates, is CAPITAL. Capital, therefore is accumulated labor.

Labor is more valuable in proportion as it is combined with dexterity or skill. Skill is acquired by long continued labor, exerted on some particular object. SKILL, therefore, is accumulated labor.

Suppose capital to be invested in the form of current money. As this money has been purchased by articles, the produce of human labor combined with skill, MONEY is accumulated labor.

Mental labor, the parent of discoveries and improvements, does not enter into our present consideration. The mental labor and resulting skill of *James Watt*, the steam engineer; of *Josiah Wedgewood* and his partner *Bentley*, the potters; of *Richard Arkwright*, the cotton spinner; and of the *Duke of Bridgewater*, the canal projector, have added, at the least, two hundred millions sterling to the wealth of Great Britain. As Lord Loughborough said in a debate in the House of Lords, "weighed against the utility of



of these men, the Lords and the Commons would kick the beam.”

This subject of mental labor is finely illustrated in a discourse of Cuvier's on the importance of men of science.

*On the Connection between Capital and Labor.*

Human beings, then, cannot continue their existence without bodily exertion or labor. Capital is accumulated labor; so is skill; so is money; so is wealth of every kind.

Suppose two men come to the market, and say, “we are willing to be hired and work as laborers—who will hire us? We want money or food, and are willing to labor for it.” It is manifest neither of these men can hire the other, for each comes to the same place for the same purpose; each wants what the other wants. Whence then are they to obtain employment and wages? From those, and those only, who have accumulated capital, and are desirous of laying it out productively—to earn a profit from it by using it in the employment of laborers. No man can hire the labor of another, but one who possesses wherewithal to pay him for his labor: that is the capitalist—the man who has at his disposal food, or clothing, or some other article needed by the laborer, or the general substitute of wealth, money.



Observe, now, the important conclusions that flow demonstrably from the plain truths hitherto stated.

1. Capital (labor saved, accumulated, laid up, invested in some useful and exchangeable article, be it money or any other) is the only, the exclusive source of employment for labor, and the only fund out of which labour can be paid, and therefore the only means of existence to which labour can look up.

2. The greater the amount of capital seeking to be employed productively, the greater the amount of labor that may be employed and paid; but the great mass of mankind, in every country on the globe, must be starved out of existence if they cannot procure the necessaries of life by their labor: capital, therefore, is the only basis and support of population.

3. Suppose mere labor among us to be worth \$150 a year; and that there are two men who possess an income of \$5,400 a year each; then each can find employment for 36 laborers. Let Mr. A. expend the whole of his income in good living, so that he has no surplus at the end of the year, this man can never give subsistence to more than 36 laborers: with him, population is at a stand: he has eaten and drank, used, consumed, and enjoyed, the whole of his income. Expenditure has left nothing remaining.



Mr. B. also possessed of \$5,400 a year income, expends out of it \$3,000, and converts \$2,400 into capital to be employed for future profit. He has also given work and subsistence to 36 laborers, and next year he will give work and subsistence to 42 laborers. These are employed to bring him 10 per cent. profit on a farm, or in a manufactory. At the end of the second year, therefore, he will have added 10 per cent. on \$2,400, or \$240; so that he will have \$2,640 to lay out to profit by the employment of labor. It is thus, that, in a nation of habitual industry, wealth increases, and population is well fed and well clothed; and, therefore, the sum of human happiness increases also. Hence it is that Great Britain, within these twenty years, has kept pace in population in an equal ratio with the United States. Spendthrifts, therefore, *fruges consumere nati* are not of half the value to a nation as misers, who accumulate to employ productively.

4. As the capital in the market dedicated to the employment of labor is always of a limited amount, be it more or less, it can only employ a given quantity of labor. Let \$150 a year be assumed as the lowest sum at which a laborer, with his usual family, can be fed, and clothed, and housed, so as to support life without absolute want. Let there be twenty thousand persons in a community who have no means of



living but by their labor. They can be employed only and paid by the capitalists who seek to employ their accumulated capital either productively or for present enjoyment. To employ these men will require three millions of dollars. Let the capital in the market be that sum, and the laborers who depend on it for subsistence be 20,000, then will the supply and the demand be equal. Suppose the capital reduced to \$1,500,000, while the number of laborers continues the same; it will follow, either that 10,000 laborers must be starved for want of employment, or wages will be lowered from \$150 to \$75 a year: for no more can be employed than the capital will employ. Suppose, from a series of years of plenty, the laborers, many have families, breed up additional laborers, and crowd the market of competition—the wages will be lowered in proportion to every man added to the number.

5. Facilities of marriage, and large families among the poor, always and every where occasion population to increase beyond the increase of accumulated capital. Hence, the competition of laborers is constantly pressing upon the capital that is to employ them; and the evils of low wages and poverty press upon the poor. Hence, they must be content with scanty supplies of necessities and comforts; hence arise want of care and of cleanliness, and



all the debilitations and the diseases of poverty. In this happy country, where land is cheap, and the means of living easily procured—where capital is fast accumulating, and labor in demand, we are as yet far from the misery of the poor in Europe; but in our large cities it is beginning to be severely felt. The obvious inference is, that the poor who are cautious and backward in marrying, who have small families, and who do not increase beyond the amount of capital that sustains them, are the happiest. The poor who, by early and imprudent marriages, bring upon themselves the grievous burden of a large family, suffer the inevitable evils that are the consequences of this imprudence. No legislative enactments can do them any good: the manifest, the irrevocable law of all society, not to be modified, changed, or altered, is, *that the number of laborers, and the amount of labor, depends upon the capital which can be expended in hiring, employing, and paying them.* That capital is always limited in amount at any assigned time, whether it be more or less, and the quantity of labor it can put in operation can be increased only by lowering wages. Those who, without probable means of maintaining a family, marry and beget children who must be supported by the labor of other men more prudent and more industrious than themselves, commit a crime: it is, however thoughtless, a plundering of their neighbor's earnings.



6. Hence, poor laws, that tempt the poor to be imprudent, and idle, and to contract early marriages on the prospect of being supported by parish contributions, do not remedy but increase the evil. Such, also, is the case with all hospitals and charitable institutions that take away the motives to industry, frugality, and self-denial: of which more hereafter. There is no remedy for poverty but to increase the amount of capital, or to diminish the numbers of those who depend upon it for their living. If the capital of the country is wasted by supporting those who ought to support themselves, the number of the industrious whom it ought to employ is lessened. The poor rates of Great Britain amount to forty millions of dollars annually, and the fund naturally appropriated to furnish necessities for the industrious poor, who are willing to earn them, is diminished to that amount. The strength, the resources, the power of the nation, is diminished in the same proportion.

*More concerning Labor and Capital.*

Labor and capital may be expended *productively, usefully, or wastefully.*

It is expended productively, when the result of employing it is an actual visible addition to the articles of necessity or comfort, in which wealth exists. As, when we sow one bushel of grain and obtain twenty; when, from a rough



log we make a table or chest of drawers; when, from the wool of sheep or the cotton plant we manufacture clothes; when, from iron ore we obtain a bar of malleable iron, and so forth, the produce of labor so employed, is an article possessing exchangeable value, that we can barter for something more valuable than the labor bestowed upon it. Great Britain gives us blankets for flour.

The necessaries, the comforts, the gratifications, the luxuries, of those whose labor does not produce any of these articles, must depend upon and be obtained from the produce of that labor and capital which is devoted to the production of these things. The producers, therefore, are at the root of all national wealth and prosperity.

But labor and capital may be *usefully* employed when it produces no addition to wealth, visible or tangible. Thus, the labor of a physician who restores to health, and the fee we pay him for so doing: the labor of a lawyer who conducts our lawsuits, and of the judge who decides it: the labor of a schoolmaster who instructs our children: of the printer and bookseller who extend useful information: of the retailer who enables the poor to purchase the value of their pittance: of the clerk in a counting-house: and all those persons who, like engineers, postmasters, and mail-stage carriers,



Bankers, exchange brokers, &c., are labor-saving machines.

Labor and capital thus employed, are usefully employed, provided no more of these persons are permitted to live on the labor of the producing class, than the conveniency of the society manifestly requires. If I employ double the number of cooks that are necessary for my convenience, or of lawyers, or magistrates, or legislators, or executive officers, or doctors, or bankers, &c., than my wants require, their salaries and pay must be deducted from capital; and the number of laboring poor who can be maintained in comfort, is diminished in proportion. Every nation is strong and powerful, in proportion to its accumulated capital, which alone maintains population, and that wealth which affords taxation. This is a truth that no one doubts at this day. *Useful labor*, therefore, and *useful expenditure*, must be incurred to the utmost extent that convenience requires, and no further.

But labor and capital may be expended *wastefully*, needlessly, extravagantly. In consuming expensive articles, in eating and drinking, in unnecessary horses, carriages, servants, dress, furniture, and other luxuries, quæ ipso user consumuntur.

But what is luxury? That expenditure of labor or capital in any thing, or in any manner,



that is not justified by income and station in life; and that tends to incur debt at the end of the year, or to prevent any saving of accumulated capital. A man whose income is ten thousand dollars a year may well keep a carriage and horses, and servants, and have wine daily on his table: a man with one thousand dollars a year would be guilty of great extravagance if he were to indulge in like manner. In the man of ten thousand dollars this expenditure would be reasonable; in the man of one tenth of that income, it would be unjustifiable luxury. Still it will remain true that he benefits his country most, and proves himself the poor man's best friend, who, living moderately and reasonably, having respect to his income and station in society, accumulates steadily the greatest portion of productive capital, the only parent of healthy population, the only subsistence fund of the poor.

In some countries of Europe, as Holland and England, the accumulation of capital in private hands, seems to have gone beyond the means of its profitable employment; hence, money can be borrowed in those countries at 4 per cent., there being a competition in the market among the rich capitalists. In this case, liberal consumption and expenditure of wealth, in objects of private and public ornament, is justifiable and desirable. But it will be asked,



how is it, then, that the poor of England are so numerous and so wretched? From over taxation in various forms, pressing in so many ways upon industry; the burthens of taxation being laid for the most part on the articles consumed by the poor and the middling classes, while the rich are comparatively exempt. The corn laws, the malt tax, the assessed taxes, the excise, the duties upon teas, sugar, coffee, &c., are all taxes that fall chiefly on the poor; while the fluctuations of demand for manufactured articles, occasion a most distressing fluctuation in the wages of the operative. In Holland, the lot of the working classes is full as good as in any part of Europe, if not better.

Suppose England, Wales, and Scotland, to contain fifteen millions of people, the producing class, to wit, the laborers in agriculture, the operatives in manufacture, and the merchant sailors, do not amount to more than one half that number. An income tax of ten per cent., well guarded against evasion, would produce, at this moment, in that country, twenty millions per annum. An income tax of 20 per cent., with a moderate gradual progression, would supersede every other tax. The expenditure for the year 1832, in that country, was about  $47\frac{1}{2}$  millions sterling: to this add 8 millions wasted on the poor, as much on the clergy, a million in medical charities, with as



much in form of county assessments, and the burthens on that people will be 65 millions sterling a year—21 dollars, or 4 guineas per head, on a population of 15 millions; of which a really reforming Parliament might beneficially strike off 25 millions. It has been agitated whether the manufacturer and the merchant have a right to be counted among the producing classes, seeing that the manufacturer makes no addition to the raw material he works upon, producing nothing more than *a change of form*, as, when the wool of a sheep is converted into a bale of cloth, and that cloth into raiment, nothing is added; the original material is diminished in quantity. So, a merchant adds nothing to the goods he imports, but a change of place. He carries commodities *from* the country where they are cheap and abundant, *to* the country where they are scarce and dear, and are in demand. But if the merchant and the manufacturer in England can purchase wheat, rice, flour, pork, fish, and lumber, in America, and sugar in the West Indies, and tea in China, and pay for them by the operations of the loom and the ship, they are as real producers as the agriculturist.

*Some technical terms explained.*

We must not produce confusion by using words of uncertain meaning.

*Wealth, (richesse, in French,) an abundant*



possession of those articles or commodities which we can exchange for other articles that we stand in need of, with persons who need what we possess. This is usually done by means of money.

Gold and silver, when coined, have been the current money of every civilized nation for 3,000 years. They are deemed of value in proportion to the labor required to produce them. Gold is scarcer and more difficult to be procured than silver, and usually passes for  $15\frac{4}{5}$  times its weight of silver. This being about its present value in Europe.

*Coin* is gold, silver, or copper, divided into pieces of a given weight and a given purity; which are warranted, on the authority of the government of every nation, saving to the people the trouble of weighing and assaying it.

*Currency* is any thing that passes for money. Civilized communities, of extended traffic, at home and abroad, find it convenient to issue written promises and orders to pay a given sum of money; which promises and orders pass current on the credit of the persons who issue them. Commerce, at home, is carried on, in great part, by the promissory notes of banks; and commerce, abroad, by bills of exchange.

*A Bank* is a money-trading establishment of extensive credit, lending out its own promissory notes on demand, which pass current where



the solvency of the lenders is in good credit; and they receive interest on the promissory notes they so lend to their customers. That they may be sure of regular returns of their capital, they never lend for more than 60 days; and they usually require three responsible persons on each note which their customers offer them for discount. Much convenience arises from these establishments; but it has been doubted whether they are useful *upon the whole*.

*Currency*, in Great Britain and the United States, consists of about one-fifth gold and silver coin, and four-fifths paper money, chiefly of the description I have just mentioned. It is merely a conventional measure of value, to which the value of all other articles is by common consent referred. As coin, money, or currency, it has no other use or value: it is the yard-stick of the shop keeper; the two-foot rule of the carpenter; it serves to ascertain the value of valuable commodities and to facilitate calculation. A farmer who brought a sheep to market, and wanted a pound of tea, or of sugar, would not be able to procure it, but for the invention of money.

It is extremely doubtful whether the inconveniences and objections to which paper money currency is liable, do not overbalance its utility. Experience has shown that paper money,



of a lower denomination than ten dollars, is a nuisance in this country, for reasons too long and too many to be here detailed.

*Value: exchangeable value.*—Value is utility conferred on any raw material by means of human labor; always bearing in mind, that skill and capital are merely accumulated labor. Value, utility, may be thus communicated to some substance that did not previously possess it; but this is not sufficient; the value so conferred, may not be such as others would prefer. Suppose I took some wool, and knitted with it a pair of stockings of a green color with red clocks; they would be well calculated to keep the legs warm in winter, and if given to many poor persons they might be acceptable; but what fashionable person would buy them? What rich man living in rich society would purchase or wear a coarse felt hat? *Exchangeable* value must be such as renders the article desirable, marketable, sought for in exchange for some equivalent.

*Wages.*—The price paid for the services of a laborer.—A capitalist furnishes some raw material, and the tools and machinery necessary to work upon it, and the subsistence of the workmen till the work is fit to go to market. As, when a landowner furnishes land, fenced, manured, and seed to be sown, and wages or subsistence to the farming laborer, till the crop



can be reaped and carried to market. Or, when a manufacturer of stockings purchases the silk, the cotton, or the wool, and furnishes the stocking frame, and subsistence to the knitter, till the finished article can be sent for sale. The remuneration must be sought for out of the price for which the article is sold; there is nothing else to look to. Every marketable article, therefore, is made up of the capital expended in raw material, tools, and machinery, and the labor employed and consumed in producing it. The capitalist expects the usual percentage for his outlay; that is, the customary profits of capital; and also to be repaid the advances made to the workman, (or operative, as it is now the fashion to call him.) Hence, price is made up of wages and profits. When the workman obtains a large proportion of the price for which the article is sold, his wages are high, and the profit is low: when capital is scarcer than labor, profit takes a larger share of the price, and labor is low. There are no other elements of price. It is manifest that the amount of these remunerations to the capitalist and the workman, will depend on the relative plenty or scarcity of capital, and the relative plenty or scarcity of labor. Where there is great competition for employment, whether of capital or of labor, the remuneration will be reduced in proportion. If there is an excess of capital, profits must be reduced.



There is another consideration connected with wages. They are usually paid in current money; but the money-price of labor is not always the real price. Owing to the fraudulent overtrading of bankers and money dealers, the currency, particularly the paper currency, where small notes circulate, is apt to fluctuate in value. A piece of money or a small bank note, may command more provision last week than this; or the reverse. Hence, the real amount of wages is to be reckoned according to the quantity of plain food or other necessities of life it will purchase. Paper money has a tendency to lower the real wages, and the loss, when a banker breaks who has issued many small notes, falls chiefly on the poor.

*Price.*—The price that an article sells for in the market, is the fund out of which the capitalist looks for his profits, and the workman for his wages. This price will depend on the usual profits of the capital employed, on the usual rate of wages, and on the fluctuations of demand and supply in the market. If the capitalist cannot obtain customary profit, and the workman customary wages, they will not manufacture the article any longer. That price which will afford them reasonable inducement to continue the business, is the *natural price* of the article; of which the permanent marketable value mainly depends on the quantity



of labor (including capital) worked up in it. Slight variations, owing to fashion, to improvements, &c., affecting the demand and supply, almost always occurring.

*Demand and Supply.*—Let there be buyers of wheat in the market, who bring for the purpose of expending in that commodity \$1000: let the farmers bring to market 1000 bushels of wheat: these quantities of money and wheat not being altered. Then will wheat be a dollar a bushel. At the next market day, let the buyers bring \$1000, but the farmers are not able to bring more than 750 bushels. Then will wheat bring  $1\frac{1}{4}$  dollar per bushel. Let the 1000 bushels continue to be brought, but let the buyers be unable to raise more than \$750; then will wheat be 3-4ths of a dollar per bushel; and so on; for the value of every article sought for and in demand increases with its scarcity, whether it be money or wheat. Let the capital of a dozen manufacturers be competent to the hiring of 100 operatives, at wages which are barely sufficient to keep them and their families in the necessities of life. If, by imprudent marriages and breeding up families, the operatives are gradually increased to 150, while the capital is stationary, is it not manifest that either 50 of them must be turned away to starve, or the 150 be employed at wages which will bring on abject poverty, excess of



labor, want of food, and disease? The only subsistence-fund a workman can look to, is the aggregate amount of that capital which is to employ and to pay him.

*Ingredients of Value.*—In some cases the raw material has value, owing to its capacity of receiving value: as precious stones, and the ores of the precious metals: sometimes from its scarcity. Generally, however, value is conferred by labor, skill, and capital; and as the two last are resolvable into accumulated labor, it may be said with sufficient truth, that the ingredients of value are resolvable into the quantity of labor expended in producing it. Even where the raw material bears a high price, the price given is capital; that is, labor saved, stored up, accumulated.

*Productive agency of Nature.*—Nature furnishes earth, heat, air, water, electricity, magnetism, light. These are made productive by human labor; but prodigiously more so by mental labor—scientific knowledge. The science of agriculture, the laws of heat or caloric, the air in a windmill, in a ship, in a blast furnace, the preservation of buildings from lightning, the phenomena of magnetism, the application of the laws of optics to the quadrant, the telescope, the microscope, to gardening, &c. &c., furnish a productive command over the materials supplied by nature, more than equal



to the mere human labor of five hundred millions of mere manual laborers. Cuvier's eulogy on Parmentier, and his Reflections on the progress of the Sciences, read April 24, 1816, are worth consulting on this head. Who can set a value on James Watt, or even on Robert Fulton? The great superiority of the human being is his superior capability of converting to his own use, the useless rough materials furnished by nature, and existing all around him. This superior capability is the result of education. Knowledge is the parent of all useful power. The men who actually govern nations, are usually ignorant men; men unacquainted with science and its value; else, every civilized country would possess grammar schools, colleges, and universities, to furnish the means of knowledge gratuitously to every citizen and his family, male and female.

*Capital* has been sufficiently explained already, as the surplus saved out of income, after all necessary expenditures have been satisfied.

*Fixed Capital*, the houses, warehouses, workshops, buildings, tools, and machinery necessary to make a profit; as the fences, the barn, the teams, the ploughs, the harrows, &c., of a farmer; the establishment of a manufacturer.

*Circulating Capital*.—That portion of the capital which is expended in purchases, wa-



ges, and other outgoings in the management of business.

*Profit.*—The annual advantage derivable by a capitalist from the management of his capital. In England it is from 10 to 12 per cent.

*Interest.*—The sum paid by a man who borrows capital, for the use of it. Interest varies in different countries, as capital is scarce or abundant. In England and Holland money can be borrowed at 4 per cent. at present: in New York, Philadelphia, and our seaport towns, money readily brings 6 per cent. per annum. In South Carolina, legal interest is 7 per cent.; the interest on loans charged by the banks, is 6 per cent.

Interest is usually regulated by law, which is well enough, for cases where the borrower and lender do not make their own contracts.

*Usury* is the exacting of interest for the loan of money beyond the rate allowed by law: and in this country and England is made a penal offence, most absurdly, for no legislature can make so good a contract for a borrower and a lender, as they can make for themselves; each of them best knows his own business and his own wants. Laws should be enacted to enforce the performance of contracts made by the parties interested; not to make contracts for them, without knowing the circumstances that dictate the terms. It sometimes happens that a



very solvent merchant may prudently give 10 or 12 per cent. for the temporary loan of a sum that will save his mercantile credit. Moreover if we convert our money into a house, we may ask what rent we please; why should we be prohibited from asking what rent we please for our money? No one is compelled to borrow it; nor can any one but the borrower himself be aware of the circumstances that induce him to make the bargain. Usury laws appear to be cases of needless legislative intermeddling; and whenever they are evaded, the risk of legal detection always enhances the premium that the borrower has to pay. They are, therefore, taxes on the unfortunate. The public are beginning to be aware that the case is thus; but the laws are still in force notwithstanding.

*A Labor-saving Machine* : an expression applied to those classes of society whose occupations are useful, by saving trouble to their customers. A mint is a labor-saving machine, enabling you to ascertain, by simple inspection, the weight and fineness of gold and silver. A retail store-keeper is a labor-saving machine; enabling the poor to procure small portions of the commodities they wish to purchase, proportioned to the small sums they have to expend. A banker is a labor-saving machine, enabling you safely to keep, to pay, and receive, large or small sums in the most



convenient possible way. So is a broker, who, when you want to remit a thousand pounds sterling from New York to Liverpool, enables you to do it by a bill of exchange; which is an order, drawn by a person here, on a person abroad, desiring him to pay to a third person or to his order a certain sum of money, (as 1000*l.*) on a day specified, in consequence of the person to whom it is to be paid having given the value for it to the broker here. The value or *par* of a bill of exchange is, when it will bring an equal weight of silver to the holder of it abroad, as the purchaser paid for it to the broker here. Silver, being the current coin of the civilized world, and less liable to fluctuation in value than gold.

All these occupations are useful, as they save the time and trouble of those who have not leisure to do the same kind of labor. Suppose a physician in great practice: he can neither be his own cook, or groom, or find time to make up his own prescriptions. An apothecary is, to him, a labor-saving machine, as a clerk is in an office. All these classes of society are not, indeed, of themselves, productive; they do not directly add to the means of living, but they are useful classes of society; they enable others to be more productive and more useful than they would otherwise be.



*Rent.*—We have as yet not much to do with rent in the United States, but we shall gradually come to it.

This subject may be considered in two ways, both pointing to the same practical conclusion. Let there be three qualities of land, one yielding 15, another 20, another 25 bushels to the acre. While there is land in plenty, the last will be selected till no more of it remains; then the second class; then farmers will go on the third class, which we will suppose just pays them reasonable wages and profits, but no more. The owners of the 20 bushel and the 25 bushel land, will now have a right to say, we must have a remuneration in the form of rent, for the occupation of land which pays all expenses, yields a reasonable living and a surplus to boot. The surplus belongs to us; it is our rent.

Suppose a farmer goes to a land owner and says, I and my sons are good farmers, my wife and daughters understand the dairy, and I have \$2000 in my pocket to stock a farm. What rent must I pay you for your land? The land owner replies, you have a right to fair wages for the labor of yourself and your family, and you have a right to a fair profit on your capital: you may reasonably expect this, but no more. I will enable you to earn these wages and profits; all the surplus made on the land, I have a right to expect as rent.



These seem to me the equitable terms on which rent ought to be settled.

As to the class of reasoners who inveigh against the monopoly of land, and contend that when a land owner dies, his land ought to revert to the public and become common stock, it would prove such a decided obstacle to industry and improvement; it would so surely take away from an improver every motive that he now has to improve, that I believe it will be long before society can be brought to sanction this theory of idleness and deterioration.

### *Of Population.*

Life cannot be supported without food, raiment, and shelter. These are procured chiefly by tilling the ground and causing such vegetables to grow as are fit for human sustenance. A man may indeed subsist by fishing or hunting, but this has been found too precarious to be eligible. We must rely upon agriculture for food, even for animal food.

The fertility of soil may be greatly increased by judicious culture and the use of manures. A field that in its natural state produces but 15 bushels of wheat, may be made to produce 40. Beyond this produce on a farm of 300 or 400 acres, no skill or effort has succeeded in producing more. Under particular circumstances, 50 or 52 bushels have been produced; but never twice on the same land. The fertility of



the earth has a limit, beyond which no agricultural skill can make it pass. Whether we have arrived as yet at this utmost limit, no one can tell; but every one will agree, that land which produces 40 bushels this year, cannot be made to produce 80 bushels ten years hence, and 160 bushels ten years afterwards, and so on indefinitely. All experience, and all probable expectation, is in favor of an early limit to the fertility of soil.

But when a man and woman marry and have plenty of food, they may produce 4 children: and when these grow up, they may (each couple) produce 4 more, and so on without end; provided they have plenty of food, of clothing, and of shelter. In the year 1783, there were not more than three millions of people in the United States: in the year 1833, fifty years after, there are upwards of thirteen millions. Our population, therefore, has doubled every 25 years, because we have had plenty of cheap and fertile soil to raise food upon; and fresh families have been supplied from fresh ground. This will probably continue for two centuries to come. But wherever there is a crowded population, want of necessaries will be felt; there will be a pressure to obtain employment; competition will reduce wages; and poverty will open the door to want, hunger, and disease. It is so even in New York and Philadel-



phia, where female labor has accumulated beyond the demand, so much as to call for public notice, and proposals of plans to relieve many poor females from absolute starvation. They should be removed to some more favorable locality.

The conclusions afforded by these facts, are,

1st. That a given quantity of land will only produce a given quantity of food, and maintain a given number of human beings. A man may live on the produce of 5 acres, but 100 men cannot.

2. That, when 5 acres have been manured and cultivated as skilfully as possible, experience affords no ground to believe that the produce can be further increased; while no bounds can be set to the number of human beings producible from a single pair, male and female; since it is possible that the eight hundred millions of human beings now on the earth, may have been thus produced. Such at least is the common opinion.

3. That this law of nature is necessary to peopling the surface of the globe, viz. that persons living in greater numbers on one spot, than that particular locality can be made to support, should be compelled by want of food to migrate to new countries. Migration or colonization, therefore, is the remedy pointed out by nature, for over population, and the



means employed to spread the human family over the surface of the earth.

4. But people wanting energy of character, accustomed to a particular country, and tied to it by numerous associations that they have not courage to tear asunder, will live on, even where the means of subsistence are difficult to be obtained. Hence that greatest of all misfortunes, over population, bringing in its train poverty, want, neglect of cleanliness, debility, disease, miserable lives, and premature death, from too much labor and too little food. This has long been felt most severely in Great Britain. In that country, they have at length, too tardily, and too reluctantly, been driven to colonize Canada, the Cape of Good Hope, and Van Diemen's Land. Their convict population at Botany Bay, works no change of character: it is an unwise and expensive failure.

5. In civilized communities, (or rather half civilized, as the best of them still are,) the limited supply of food from land, is in a considerable degree made up, by the exchange of home manufacture for foreign food. In Great Britain, the infamous and unfeeling system of corn-laws, prohibiting this source of supply constitutes a tax of at least 25 per cent. on every poor laboring man in the nation, in order that the farmers, by a monopoly of eatable grain, may sell it to the poor so high as to ena-



ble them to pay high rents to the wealthy and luxurious land owners. These wicked and selfish laws have been complained of without effect, till the people have lost almost all hope of redress.

In Great Britain, about six millions of agricultural laborers and manufacturers, support, by their productive labor, about ten millions of unproductive consumers. Of this ten millions, about two and a half or three are *usefully*, and about seven or more *wastefully and uselessly* employed. The pauper population, on whom £8,688,461, in 1832, were expended, amount probably to at least a million, in and out of the work-houses. No wonder the really productive laboring poor are required to work 14 hours a day, with hardly more than  $1\frac{1}{2}$  hour of intermission. The debilitated, sickly, deformed, and lame children of the factory system, constitute a dreadful defalcation from human comfort, in that country of enormous wealth, luxury, poverty and misery. See the report of the British Factory Commissions, Nat. Gazette, Sept. 3, 1833.

6. It is manifest that a laborer or operative, seeking to be hired and employed, cannot afford to *set himself* to work. His wages must be paid out of the capital of the person who hires him. No number of laborers, therefore, can be employed, beyond the amount of capi-



tal destined to the employment of labor. That is always, at any given moment, a fixed amount, not capable of being suddenly increased, but very gradually only, by annual savings, which are sometimes more and sometimes less. The subsistence-fund of labor, then, is the actual capital seeking for employment at the moment. If a million and a half of dollars will support 10,000 workmen one year, ten per cent. profit will enable that fund to support 1000 additional workmen the next year; and will provide a fund that will keep this additional number from starving. Suppose the million and a half of capital failed entirely of being productive, while 1000 laborers were added to the laboring population, is it not evident that they must starve for want of being hired and paid, or their competition must lower the rate of wages, and diminish the pay of all the rest? Hence, laboring industry is maintained in requisition by capital looking out for productive employment, and constituting the only subsistence-fund for labor—the only source of permanent population.

7. Hence, also, no legislative aid can diminish poverty, unless by removing taxation from the poor, or by removing the poor themselves from a country where over-population renders employment scarce and wages low, to some new country where labor is more in demand. Colonization is in the power of Government;



but no act of Parliament, that does not diminish taxation, can increase the amount of capital, or better the condition of the poor who remain at home, crowding and elbowing each other, and starving for want of employment; adding a supply of labor beyond the actual demand for it.

Hence, also, that condition of society is the happiest, where the wasteful portion of the unproductive classes is the smallest. For each consumer who subsists luxuriously on the labor of the productive class, is a tax and a burthen on that class, and a drawback from their prosperity; a drone in the hive, contributing nothing to the store of honey.—A fatal objection to all poor laws.

True, however, as this is, as a general rule, still the non-productive and consuming class, is almost exclusively that which furnishes that most useful class of literary and scientific men, and gives support to such men, who appear occasionally among the strictly productive classes: nor, indeed, are there any of the productive classes who contribute to the supply of the necessities and comforts of life, by immediate and direct production, more useful than the men of literature and science, who contribute to the same objects indirectly. Nor ought all labor to be merely directed to a plentiful supply of food and raiment: *we produce, that we may en-*



*joy*; and the enjoyments of producing operate as a beneficial stimulus to productive industry. Hence, amusements and enjoyments, are not to be forbidden to those who have accumulated, or whose parents have accumulated for them. All these things are best let alone to take their natural course; for nothing but individual prudence can regulate them. The worst of all legislation is over-legislation—parliamentary intermeddling. All that is necessary is, for the people to take care that no privileged, no merely consuming and wasteful class, shall be artificially created. In the old governments of Europe, it seems as if all civilization in its theory, consisted of the establishment of a numerous class of idle, aristocratic consumers, who had a right to make slaves, for their own pleasure, of the rest of the community. Property, for all wise purposes, will naturally increase fast enough among the producers and the useful members of society, even if there should be no consumer by hereditary profession, no distinction of rank or privilege, and no law of primogeniture.

9. Many of the best among the writers on political economy of the present day, startled by the undeniable truth first set in bold light by Dr. Malthus, that population, every where and at all times, has a tendency to overcome the means of subsistence, and feeling the melan-



choly illustrations of this truth in Great Britain, where the corn-laws forbid the manufacturers from being producers of food, by prohibiting the entrance of foreign corn, in order that the aristocracy may levy twelve and a half millions sterling on the people, and live luxuriously on a starving population—are anxious that the inevitable and natural remedies of poverty, debility, disease, and death, should be superseded by the voluntary abstinence from marriage and propagation among the poor; and are strenuous in recommending to the lower classes this remedy of moral restraint. No doubt those of the poor who have knowledge, courage, and foresight, to abstain from marriage till they have the means of bringing up a family, do wisely by thus abstaining. But the poor have no leisure for knowledge; they are, by the necessity of their condition, thoughtless and imprudent, because they are ignorant; and marriage is a state and condition to which the laws of nature strongly impel them; moreover, they have so few comforts that they are greatly emptied by this circumstance also, to intermarry; and they see that those who recommend, do not themselves practise the measure they so urgently insist on. This appears to me, therefore, advice given in vain. To adopt it requires energy, wisdom, and self-control, such as we have no right to expect from an ignorant population.



The true, the honest remedies are, 1st, to throw the whole burthen of taxation on the rich, by a progressive income tax: 2dly, to abolish primogeniture, and diminish wasteful expenditure, by compelling a greater amount of energetic industry. 3dly, to facilitate and encourage emigration. We do not find New England the worse off, for the swarms sent out from that northern hive. Latterly, indeed, the cunning and selfish management of the manufacturers among that too prudent and selfish people, discourages the low price of western lands, that the door of emigration may be closed on their slavish operatives.

*More concerning Population and Capital.*

It is true, that where fertile land is to be had in plenty and at little cost, population being supplied with abundance of food, will rapidly increase. Men and women will marry early; and a productive soil will enable them to rear large families. Such is the case in our western country. But this kind of population will be, for a long time, half instructed and half civilized. No improvements can go on where families live at a distance from each other, and where the produce of their labor is confined to coarse provisions and coarse clothing. Let us imagine 100,000 people living in a large town of contiguous houses, and the same number living



on 100,000 square miles. A town of 100,000 people is small enough.

In the case of scattered population schooling must be difficult, for the children will have far to travel to school and home again. Medical attendance will be of an inferior kind, for the patients will live far from the doctor, and cannot afford remunerating fees: even newspapers will be difficult to support, because difficult to distribute. Men of knowledge and science will not be in demand in such a country. Improvements in agriculture must be renounced, for want of capital and laborers to carry them on.

A dozen counties and county towns among us would be laid off, where the population, for a long time, would consist of half a dozen lawyers, three or four stores, as many taverns, a meeting house, and a few tradespeople; a lounging population, deriving a scanty living, because the neighborhood, abundant in food and in children, abounds in no other valuable produce. Years must pass away, till population accumulating, gathers in the county towns, and improvements gradually but slowly take place. Fifty thousand people at New Orleans, and thirty-five thousand at Cincinnati, must more than treble their numbers before civilization arrives. Place, now, these 100,000 people together; what a market for instruction, for publications of all descriptions, creating a thirst for



knowledge and inquiry, and a supply of literature and science! The machinery, useless in a scattered settlement, finds its value, skillful mechanics and engineers, mills, grist mills, cotton mills, oil mills, steam engines—improved roads, canals, railroads, and every improvement of civilization finds itself in demand. The demand for newspapers, periodicals, and various literature, propagates at home the distant knowledge of discoveries and improvements; and every form of machinery finds a market. Capital accumulates, labor and labor-saving inventions, however costly, are in demand; the lands pay for an expensive and spirited agriculture; and the population keeps pace in such a town with the increase in any part of the country. Such has been the case in New York and Philadelphia, and is gradually becoming so in Baltimore, Cincinnati, Pittsburgh, New Orleans. In such a town, life not merely passes, but it is enjoyed: amusements of various kinds are substituted for the monotony of a country life; they stimulate exertion; and if there be more vice, there is, in at least in an equal degree, more virtue. The population even of New York, requires to be doubled before these advantages are fully enjoyed.

Hence, large towns, in considerable number, mark the progress of civilization and improvement; as in Great Britain, London, Bir-



mingham, Manchester, Liverpool, Leeds, Bristol, Sheffield, Norwich, &c. France possesses many, but fewer than England; hence her improvements are as yet on a minor scale.

It is true that great towns consume population; but by means of more abundant employment, they increase population also; and not merely labor, but skill, and knowledge, find there a more certain demand and reward. It is not good for man to be alone, nor for families either. The natural state of man is gregarious.

So, where large capitals are employed by one person, instead of the same amount under a number of proprietors, moderately wealthy, the savings are greater, and the produce is larger, whether in agriculture or in manufactures. Large establishments are labor-saving co-operative societies.

Let us suppose a farm of 1000 acres, under the management of one man, with competent capital, say 10,000*l.* sterling; and 1000 acres under the management of 10 men, with 1000*l.* each. First, the same number of acres are burthened with ten families instead of one. Secondly, with ten sets of farming buildings, barns, granaries, stables, cow-houses, out buildings of all kinds, that cannot be so frugally apportioned to their respective uses on ten farms as on one. Such, also, is the case with horses, wagons, &c., they can be so calculated, on a



large farm, as never to be idle; not so on a small one. Suppose an extensive and expensive plan of marling, liming, manuring, draining, or irrigating; this cannot be so well managed by ten, who have each of them just capital enough and none to spare, as by one man of large capital. Suppose a lot of cattle offered, that will pay for pasture or stall-feeding: a man of small capital cannot buy them. Suppose a glut in the market, and price falls for a season, the small capitalist must sell; the large capitalist may wait the return of fair prices. Each farmer will be apt to keep a horse to ride about his farm and to market, even if he keeps none for his family. Here, then, are ten horses kept, where on a large farm one would answer. In every possible way of considering the matter, the produce and profits of a large farm are greater in proportion than on a small one. And if it be more profitable for the farmer it is so for the public; for the profits will be expended ultimately in setting labor to work, whether productively or consumingly.

Apply the same principles to a manufactory of any kind: a large capitalist may have the most improved machinery; he may reject his old and inferior machinery, and buy the newer and more perfect. Savings not worth the attention of a small capitalist, become objects of



consequence in a large establishment. Capital can run the risk of new methods and new patterns; it can wait for a market; it can purchase cheaply in large quantities; it employs just labor enough, and no more. It can venture to seek out new markets; it can be satisfied with smaller profits; it can adopt every new improvement which a small capital cannot afford to purchase. It can command labor more certainly, by regularity of payment. These are some of the advantages that a large capital affords. In France, under the old regime, a man with six or eight thousand Louis d'ors, would buy some petty marquisate, and live an idle nobleman: in England, he would be content to engage as the junior working partner of some respectable firm.

*Agriculture—Manufactures—Commerce.*

Agriculture alone, adds, by direct result, to the quantity of consumable produce. This is evident, when you sow one seed and reap twenty. Manufactures, when employed in making that change in the raw material that confers on it exchangeable value, is a productive employment also, for food can be obtained in exchange, if the government be not foolish and wicked enough to prevent it, as the British landowners, by means of their corn laws. When the rulers there say, that neither horse nor man shall eat any grain not the growth of that island, what-



ever may be the increase of population on it, they say what would be incredible, if told of persons of common sense, were it not true at this moment, and even under a reformed Parliament, as it is falsely called, (1833.) This prohibition costs the consumer  $12\frac{1}{2}$  million sterling annually; besides the duties on importing beef, lamb, pork, sheep, swine, bacon, butter, beer, cheese, hops, hay, &c. &c. &c.

Manufactures add nothing in bulk, but otherwise, to the raw material. But by altering the form, they add exchangeable value to that which had none before; as when the wool of a sheep is converted into a garment.

Commerce makes of one family all the nations upon earth, by bringing exchangeable superfluities from places where they are abundant and cheap, to other places where they are scarce and dear. Commerce, also, is a productive employment, by adding *exchangeable* value to the articles thus carried to and fro. Commerce is either the barter carried on *at home*, which is the *home trade*; or abroad, which is the *foreign trade*. The amount in value of the home trade, (domestic labor consumed at home,) even in Great Britain and this country, is at least seven times that of the foreign trade if we reckon, as we ought, the exchanges and commerce in articles of agricultural production, as part of the home trade.



Our imports in the United States for 1832, were \$103,000,000. This then is the extent of our foreign trade. Every human being in England consumes in wheat and flour eight bushels. We consume as much in wheat and corn.—13,000,000 by  $8 = 104$  bushels, worth on the average, 65 cents, or  $67\frac{1}{2}$  millions of dollars. We consume at least one pound of animal food daily, worth four and a half cents per pound on the average.  $13,000,000 \times 365 \times 4\frac{1}{2}$ , will amount to \$200,000,000; add milk, butter, cheese, potatoes, rice, garden vegetables, sugar, &c. &c. Add the trade in pigs, poultry, cows, horses, mules, and the grass and grain that feeds them; the cider, beer, and whiskey; our lumber, our houses, coarse furniture, coarse clothing; our wagons, carts, carriages, ploughs, harrows, and tools of farming; our fuel, oil, and candles, &c. &c., and the calculation will be found reasonable.

Is there any thing in the pursuits of agriculture, manufactures, or commerce, that should lead to any legislative preference of the one to the other? Undoubtedly, agriculture is the healthiest of employments; but individuals can judge of all these matters for themselves, better than law makers can judge for them. The factory system, where children are set to actual work thirteen out of twenty-four hours a day, and rendered in consequence deformed and crippled, certainly calls for regulation, and the sub-



ject is at this moment brought specifically before the British Parliament. Generally speaking, however, a Legislature is ill employed in making contracts for individuals; the proper business of the law, is to enforce the voluntary contracts that that individuals make with each other. Never let it be forgotten, that all legislators have a morbid, mischievous propensity to legislate; they all legislate too much. It is a matter not yet settled, whether the people of England would not be greatly the gainers, by the total destruction of the whole body of statute and common law prevalent in that country, so that common sense might find some employment in the formation of a new code. Lawyers all say, that in a free country, the laws must necessarily be complicated, and hard to be understood. It is their interest to say so; but the people are becoming gradually less credulous. It seems to be a law of nature that plentiful and cheap production should be purchased at a considerable expense of life and health. All fertile lands are comparatively unhealthy.

*Of Monopolies and Incorporated Companies.*

The republican principle is equality of rights, equality of privileges; no favoritism or preference among citizens, who unite on equal terms, for the pursuit of their mutual interest, in a political community. But, regarding the sources of national wealth, the rule is the same. No preference can



be given to a *part*, which is not a tax upon the *whole*. All monopolies and incorporations, are exclusive privileges and preferences for the benefit of a favored class; and are therefore taxes on the community. They give an artificial direction to the employment of capital, which it would not naturally take; they are therefore unwise, as well as unjust.

Patents, are monopolies fairly purchased from the public, by paying down an equivalent, by means of the specification of the invention; nor is any man compelled to use a patent invention, as he is by law in the case of a common monopoly. There is, therefore, no injustice in a patent right.

Incorporations for the mere purpose of using a corporate name, are unobjectionable. They are mere labor-saving contrivances. But there their privileges ought to end.

*On Free Trade and Restricted Trade. On Import Duties.*

Truth and common sense are very slow travellers. History will bear out the sarcastic remark of Hudibras:

“Surely the pleasure is as great,

“Of being cheated as to cheat.”

The frauds and fallacies of our restrictive monopolies, the remnants of the old *commercial system*, and *manufacturing system*, are still



prevalent in every nation under heaven. In this country, we are just obtaining a glimpse of the truth. In Great Britain, they are far advanced in knowledge on the subject; but the horrible complications and conflicting interests produced by the errors of two centuries, render a practical reform in that country tardy and difficult. But it is in progress, though slowly.

If there be any dictates obvious, undeniable common sense as to the methods of living comfortably, and becoming wealthy, they are these:

Be industrious in producing exchangeable value : that is, in producing such articles and commodities as other people will be glad to buy from you.

Do not expend or consume the whole of your income or earnings ; but save, and lay up at the end of the year, as much of your annual gains as you can spare from necessary expenses.

For this purpose, selling what you produce at a reasonable profit, purchase what you stand in need of, where you can purchase it at the cheapest rate: for, the more you pay, the less you can save: the cheaper you buy, the more remains in your pocket for future wants. Every dollar you are compelled to lay out, without receiving its full value in return, is a loss to you of so much.

Is there any thing mysterious or unintelligible in these plain doctrines ? Now, let us see how the laws imposing duties on the importation of



foreign commodities, coincide with these maxims. The prosperity and wealth of a nation, is the aggregate of that of the individuals who constitute that nation. The prudential maxims that are good for me, are so for the neighbor on my right, and the neighbor on my left hand, for my neighbor opposite, and for him who lives in the back street: that is, for all my neighbors as well as for myself: that is, for every body who has any thing to sell or any thing to buy; or who is desirous of laying up his savings (accumulated capital) at the year's end: that is, for every body. The cheaper a person buys what he needs, the less he spends, the more he saves, the greater the amount of accumulated capital to be used hereafter productively; constituting the subsistence fund of labor, and the parent of permanent population.

Duties are laid upon imported foreign goods, for one or other of the following purposes:

1st. To supply the wants of the national treasury.

2dly. To afford a market and protection for domestic industry in preference to foreign.

3dly. To encourage and protect for a few years an infant manufacture, and prevent its being overwhelmed by foreign competition.

4thly. To retaliate upon those nations who impose prohibitory duties on the entrance of our domestic articles into their ports.



If a duty imposed on foreign importations for either of these reasons, remunerates the people whose Government imposes it, there is no objection; if it diminishes the public wealth and prosperity, it is unwise.

As to the first reason, at present, I have nothing to say against a *tariff*, or system of custom-house duties, when the national necessities call for the tax. It will be shewn by and by, that this is the most ineligible mode of taxation.

As to the second reason, viz. the preference and protection of our domestic industry, the industry of our own laborers and operatives against foreign competition, and our own articles of manufacture instead of similar foreign articles.

Let us begin with matter of fact. The average duties imposed on foreign importations by the late American tariff, was somewhat more than 40 per cent. A bale of goods (woollen if you please, any will do for the argument,) costs \$100 at Huddersfield, in Yorkshire. What will the price of that bale be to the consumers, supposing it not liable to any duty in the first case, and to a duty of 40 per cent. in the second.

Value of the bale in Yorkshire,	-	\$100	00
Conveyance to Liverpool, drayage,			
wharfage, freight to New York, and			
expenses there,	-	-	5 00
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Cost to the importer at New York,	-	105	00



Profit of the importing merchant, 10 per cent.,	-	-	-	-	10 50
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Price at New York to the retail store-keeper,	-	-	-	-	115 50
Cost to the interior place of sale,	-				50
<hr/>					
					116 00
Retailer's profit on his own capital, at 20 per cent.,	-	-	-	-	23 20
<hr/>					
Price paid by the retail customers or consumers,	-	-	-	-	\$129 20
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Now let us add the average protecting duty of 40 per cent.

Cost in Yorkshire,	-	-	-	-	\$100 00
Expenses from thence to New York,					5 00
Duty at the custom-house,	-			-	40 00
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Cost to the importing merchant at N York,	-	-	-	-	145 00
Profit on his capital, at 10 per cent.,	-			-	14 50
<hr/>					
Cost to the retailer in some town of the interior,	-	-	-	-	159 50
Carriage thither,	-	-	-	-	50
<hr/>					
					160 00



Profit of 20 per cent. to the retailer on his capital,	-	-	-	32 00
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Price of the bale to the consumer who wears the cloth,	-	-	-	\$192 00
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That is, the duty of 40 per cent. at the custom-house at New York, turns out to be a duty of \$62 50 to the consumer; and so of all the rest; that is, we pay \$1 56 in fact for every dollar paid at the custom-house.

It is a position as demonstrable as any proposition in Euclid, that all barter, all exchange, all commerce, all purchases, when it is conducted on fair and honest principles, is an exchange of labor for labor. The labor accumulated for instance in a dollar, for the labor accumulated in a pair of stockings. Skill is labor; capital is labor; production of any article that possesses exchangeable value, is the production of the labor necessary to produce it. Fair and honest exchange, therefore, is so much of my labor, for an equal quantity of yours. The wealth of every man, of every community, consists in the amount of labor accumulated in the articles of exchangeable value, of which he is the possessor.

If I have a stock of labor by me, in coin, or notes, or goods, equal to ten, and I give away five of it for exchangeable articles that I am in want of, and that are worth to me labor equal to five,



I shall have labor equal to five remaining. Suppose I can get my wanted article from a foreigner for five, and Government steps in and says, "no; you shall not buy that article for five, because the man who sells it lives across the Atlantic, and is an Englishman; if you want it, you shall buy it from your American neighbor, and pay him seven, in order that his industry may be encouraged."

In this case it is clear, that labor equal to two is forcibly taken out of my pocket, without my receiving any equivalent: and I am poorer by the loss of labor equal to two; my capital, and, therefore, the national capital, and, therefore, the labor-payment fund, and, therefore, the amount of population that might have been supported, is thus diminished. But can the national wealth be increased by this diminishing process?

If my neighbor cannot live on the occupation he has chosen, but by extravagant prices, constituting heavy taxes on my labor, why does he not convert his own labor and capital to some pursuit that will be more profitable?

Our importations last year were \$103,000,000: taking the duty at thirty-three and a third only upon the average, then the actual tax on the *consumer* would be fifty-two and eight-hundredths. That is, we were taxed in favor of the manufacturers fifty-four and a third millions of dollars! The legislative bounty forced from the consumers,



and actually paid in favor of reprehensible speculation, false pretences, and fraud, upwards of four dollars per head!

But we, the consumers, who buy at this high price, are not the only losers. If for every forty dollars I really pay twenty-two and a half more, some of my neighbors are deprived of a customer to that amount. I have so many dollars less in every hundred, to expend in other articles among my neighbors. I am impoverished by this drain on my purse; and this is called encouraging American industry!

Let us look at it in another point of view. If 40 per cent. be levied on the importation of foreign manufactures, we prohibit American industry, we destroy, we annihilate it to the same amount. For, as all commerce is an exchange of equivalents—the produce of my labor for the produce of foreign labor—every prohibitory tax forbids our own people to produce the articles wanted abroad, that they would otherwise have raised and paid over in exchange to the foreigner for his productions wanted here: there is, therefore, so much American industry paralyzed, prohibited! But, it is said, we can produce the same articles at home. We can so, perhaps, at the expense of three days' labor demanded at home, for that which the foreigner would have furnished for two: and this also, is called encouraging American industry. Can any thing



be more manifest than that prohibiting importation is prohibiting exportation, whether the duty operates in a greater or a less degree; whether it be absolute prohibition, or merely discouragement? Moreover, what foreigner will willingly buy from one who will not buy from him? If we import to the amount of \$100,000,000, do we not buy these imports by the produce of our own industry, which is, therefore, encouraged by this traffic as much as the foreign industry? It is mutually desirable and beneficial. Our Creator, intending, no doubt, to furnish motives for intercourse between distant nations, has given facilities to some countries for the production of particular commodities that he has not bestowed upon others. Some countries are adapted for grain, some for wine, some for mineral production, others for productions of other kinds: each is intended by nature to furnish for interchange, what each is adapted to supply with the least amount of labor. Some countries are agricultural, others are better adapted for manufacture. Let the southern States grow cotton and rice, and the northern produce fish and lumber. If a manufacturer *will* engage in a competition in which he cannot succeed—if a man *will* make Madeira wine in the State of Maine, is that a reason why he should rob me to make his imprudent speculation a successful one?



But a manufacturing monopoly, not only compels the buyer to pay two days' labor for an article that should cost but one, but the article is, generally speaking, of an inferior quality only. How many Yankee productions are like Peter Pindar's razors—made to sell! How often, and how many such articles have I seen with disgust and regret! No wonder, when competition is taken away.

Protecting duties are like the Governments of the old world; they compel the many to pay taxes for the benefit of the few; thirteen millions of consumers taxed, to enrich thirteen thousand manufacturing capitalists! They are unjust therefore, as well as unwise: they are unequal, partial, and sectional. They have been carried in Congress in direct defiance of the Constitution, by interested and prostituted majorities; by men of influence, blindly devoted to sectional interests. They have been imposing on an unthinking people, by the fashionable eloquence of men who have not acquired even elementary knowledge; by the fluent oratory of Henry Clay, untinctured by modern acquirement, and the selfish devotion of John Q. Adams to the exclusive prosperity of New England. Unblushing selfishness, and unmitigated despotism, have marked their progress from 1816 to the present day, and shewn us, that however acute, calculating, managing, and persevering, are the adherents of the northeastern



States, political honesty and honorable consistency, are phrases practically unknown to many of the leading men among them. Their political motto seems to be "cheat as cheat can." It is hard and harsh to use this language; but it is so true of the monopoly majorities and their leaders in Congress, that no man can write the history of legislative proceedings in this country, without marking in strong colors the determination steadily adhered to of a northern majority, to render the south a prey to the monopolists of the north.

While our legislators in Congress were thus adding duty to duty, for the purpose of draining to the utmost the pockets of southern consumers in favor of northern manufacturers, the merchants of London, Bristol, Glasgow, the leading politicians in the British Parliament, every writer on political economy in every country in Europe, following the luminous expositions of Adam Smith, have denounced the system of restricted trade and protecting duties. Of the writers on the subject in Great Britain, McCulloch, Mills, Malthus, Ricardo, Marcet, Martineau, out of Parliament—in Parliament, J. H. Parnell, Col. Torrens, Mr. Huskisson, Mr. Canning, Lord Liverpool, beside the best informed speakers of the House of Commons, all, to a man, coincide in the same opinion. In France, all the economists, M. Say, M. Garnier, Destut, Tracy, M. Ganilh; in Petersburg, M. Storch, all adopt the same



conclusion. An opinion that has now hardly one adversary in Europe, (I know not of one,) has to fight its way through the conceited ignorance, or more formidable selfishness of American legislation! In this republican country, we cannot yet see that Government was created, not to *direct and dictate* how men should innocently pursue those means of improving their circumstances, which the individual alone can be fully aware of, but to *protect* each citizen in all his unblameable endeavors to serve the interests of the country by serving his own. This it seems we have yet to learn. We have yet to learn also, that protecting duties are war-feeders; producing continued jealousy, and irritating retaliation. All the wars of Europe since the revolution of 1688, have been chiefly in their character, mercantile and manufacturing wars; and if this country is to go to war again, we shall owe it to the desperate selfishness of the New England spirit of monopoly.

“It is no exaggeration,” says M. Storch, (in his course of political economy, vol. I, p. 162, Paris edition, in 6 vols.) “to affirm, that there are very few political errors which have produced so much mischief as the mercantile system. Armed with power, it has commanded and forbid, where it should only have *protected*. The regulating mania it has inspired, has tormented industry a thousand ways to force it from its natural channel.



It has made each particular nation regard the welfare of its neighbors as incompatible with its own. Hence the reciprocal desire of repressing, injuring, and impoverishing each other, and that spirit of commercial rivalry which has been the immediate or the remote cause of so many modern wars. This system has employed force or cunning to extort commercial treaties productive of no real advantage to themselves, from the ignorance or weakness of others. It has formed colonies, that the mother country might enjoy the monopoly of their trade, and force them to resort to her market only. In short, where this system has been productive of the *least* injury, it has retarded the progress of prosperity: every where else, it has deluged the earth with blood, and depopulated and ruined some countries, whose prosperity it was intended to serve."

All this is historically true, and I know of no class of men who have been so mischievous to the prosperity of the human race, as the supporters of mercantile and manufacturing monopoly. Great indeed is the disgrace to this country, that while the British ministry were renouncing these barbarous and exploded doctrines, they should have been adopted by the leaders of the American people, by the *Adamses*, the *Clays*, the *Websters* the *Everetts*.

The great maxims of political economy are, that people get rich by means of their own indus-



try, in producing exchangeable value. That the more wealthy, the more prosperous, the happier their customers are, the greater is their consumption, the more numerous their wants, the more extensive their dealings. That it is the manifest interest of each, to produce and promote the prosperity of all, because all being mutually customers, are gainers by so doing. No man can acquire wealth in a poor community. If you would become wealthy, deal with the wealthy. Hence the happiness of one promotes the interests of all: hence, all commerce is not an attempt of one to gain by the loss of another, but the exchange of labor for labor in articles mutually wanted, and producing mutual advantage. Hence, all quarrels are cut off, by annihilating the absurd system of protecting duties that gave birth to disputes: hence, wars are folly; they consume, they waste, with desperate, reckless prodigality; and the motto of our science is, "*peace on earth, and good will towards man.*" Such are the beautiful and cheering conclusions that the true doctrines of political economy, and the true means of acquiring individual and national wealth, offer to our adoption. Let the reader decide.

*Of Custom House Tariffs, and Taxation.*

Men love to be cheated in proportion to their ignorance, and the practical maxims of all known Governments is, *si populus vult decipi decipiatur;*



if they prefer being cheated, let them be so, and welcome.

All governments and governors, are paid out of the taxes they can contrive to levy upon the people: the greater the amount of taxation the better for those who have the disposal of it; and taxation can be kept up to an amount greater in proportion as the people are kept in ignorance how much they pay. This is done completely in modern times by the indirect taxation of a tariff. *Tariffa* is a Spanish word, meaning the duties laid upon the importation of foreign goods and collected at a custom house. The importing merchant pays the duty, which forms part of the capital he is compelled to lay out; he lays the amount of the duty, and the usual profit of capital, on the price of the article. That price is made up, of prime cost of the goods abroad, expenses of freight, &c., duty imposed by Government, profits of the merchant's capital, carriage to the place of retail, and the retailer's profits on his capital. All these are calculated, not with scrupulous accuracy, but with a saving eye to the interests of all the parties concerned except the consumer, or purchaser; and he is left to make if he pleases, his own calculations, which requires more skill in arithmetic, more knowledge of the details that must enter into the calculation, more time, patience, and trouble, than the thing itself is worth. I doubt if any purchaser at retail in



the United States, has ever made such a calculation; and I believe not one man in fifty thousand is competent to it. Hence, buyers universally consider the price as the cost of the goods with a reasonable profit to the man who retails them: they lose sight of the Government tax levied at the custom-house, and are content to take the whole concern in gross, without the trouble of analyzing its component parts.

This is exactly what governments want and wish, viz. that the people should pay blindly and contentedly, without knowing how much duty they really pay. Strange to say, such is the ignorance of the tax-paying people, that they prefer being thus cheated. No inquiries are made whether the tax levied upon them be too much or too little; they are content to be ignorant, and pay what is asked.

When a man has to pay ready money for any thing, he is very apt to consider, do I want the article? Is it worth the money? Can I get it at a lower rate? He looks carefully at his dollars, and he lays them out cautiously. Not so the spendthrift, who is glad to be freed from these troublesome reflections by running in debt. If every tax demanded by Government, were exhibited nakedly, and without disguise or mystification, as an income-tax, for instance, every man in the country would look sharp about him. He would be perpetually calculating; he would ask,



is a tax to so great an amount absolutely necessary to Government? Might it not be reduced? Is there no needless extravagance among our rulers that makes it necessary? These are very wholesome inquiries for the public, who ought to be made to feel their necessity; but very troublesome questions for an extravagant government; and what government is not extravagant?

The system of concealed, mysterious taxation; a system calculated to hide fraud and extravagance; a system valuable to our rulers on account of the many persons lucratively employed, and the many jobs and contracts it gives rise to, is most disgraceful to a republican people. It is impossible for any Government to be conducted honestly that supports a tariff of indirect taxation. Men love darkness rather than light, because their deeds are evil. Then, they flatter the ignorant gaze of the populace by splendid custom-houses, and provide for their devoted adherents by places in the customs.

The whole system is execrable. Peace to the cottage, said the French, at the beginning of the revolution, war to the palace. So the friends of free trade and the people's rights, ought to exclaim, "down with the custom-houses; no indirect and secret taxation." Let us have republican publicity, in the transactions of a republican Government.



The Governments of Europe have taken much pains to inculcate the notion, that the people are not the poorer for the taxes they pay, when those taxes are spent at home. It is, say they, taking with one hand, and returning with the other. In return for this very doubtful proposition, let us state another which is not doubtful.

When a man is deprived of a part of his property, whether by a tax, or a tribute, or a robbery, without receiving any equivalent in return, he is the poorer for it.

Suppose a man robbed, is he not the poorer? Why? Because he loses his money without receiving value in return. Where is the difference to the individual when he pays a tax? To be sure the equivalent is, or is said to be, the supply of national wants; but this extends no further than the smallest amount of taxation necessary for the purpose: all the rest is of the nature of robbery. In Great Britain, the great weight of taxation is on the poor. The aristocracy is nearly exempt. Suppose a tax-payer furnishes Government with goods to the amount of the tax he pays, or a hundred times more. First, he pays his tax, and then he furnishes Government with goods to the amount of it; that is, he pays two prices, and receives one.

Most part of the whole amount of taxation every where, is so much money thrown away. Forts, and fortifications, and vessels of war, and



sailors, and ammunition, and arms, &c. &c., are items that all Governments have been fond of: whether the people receive equivalent benefit, is a question that common sense usually settles one way, and Governments another. All the persons employed by government are unproductive consumers; some of them may be useful, but utility consumes no very large part of Government expenditure. Hence the probable conclusion is, that the less the amount of taxation, the better for the people; and we ought to regard, that Government as upon the whole the best, that spends the least. The chances are, that a cheap and frugal Government is an honest one; and that an expensive Government may be reasonably suspected of dishonesty and corruption.

In laying taxes, the following rules of Adam Smith, contain much plain good sense. 1. Every man ought to contribute to the necessary expenses of Government, in proportion to his ability; or what is the same thing, in proportion to the amount of his property protected. The simplest and fairest of all taxes, is an income tax. If laid according to the ability to pay, it lets in what I regard as an honest principle, *progressive taxation*. Suppose an income tax of 10 per cent., a man with £100 a year would have only £90 left: a man with £9,000 a year would have £8,100 left. The one would be deprived of necessaries, the other left in full possession of all the luxuries



of life. All taxation ought to be thrown upon the rich exclusively, whereas, all aristocracies throw it upon the poor. 2dly. Taxation ought to be known, and certain, not arbitrary. 3dly. Every tax ought to be levied at the time and in the manner (if possible) most convenient to the person who pays it. This forms a strong objection to the British excise system. 4thly. Every tax ought to go at once into the treasury, without sticking to the fingers of half a dozen collectors and receivers. To these rules we may add in this country; 5thly. No taxation of a raw material. 6thly. No taxation on paper, printing, books, or newspapers. They are all too valuable to have their free circulation impeded. But Governments, for their own private reasons, do not usually so regard them. No people can be well informed, or prepared to make inventions and improvements, to whom the facilities of reading and knowing what other people know elsewhere, in every corner of the world, are not open. The habit of employing leisure hours in reading is an incalculable addition to the mass of useful knowledge to moral feelings, and to the pleasures of life. Nor can such a people be long blind to the mistakes and frauds of their rulers. Nor with such a people, will fluency of speech pass current for knowledge. Hence, no duty on rags. 7thly. Every tax ought to be so laid as to provide its own means of payment. 8thly. Of all forms



of taxation, a progressive income tax, or a direct land tax, are the fairest, and most easily collected. Duties on foreign imports, tempt to improper concealments, to false oaths, to false invoices, to smuggling. They have rendered it a doubtful question, whether fraudulent taxes, laid to enrich one class by picking the pockets of another, in a country that pretends to republican equality, do not render smuggling a duty. A crime, most assuredly it is not. It may be *malum prohibitum*, it is not *malum in se*. If the smuggler pays the forfeit when caught, no more can be required of him by the dishonest imposers of a dishonest tax. 10thly. In this country, that administration is a culpable one, and ought to be discarded, which permits the public expenditure to exceed ten millions of dollars for thirteen millions of people. Even twelve millions at this moment, reaches the utmost limit of honest expenditure.

It is of great importance for a republican to be strongly impressed with the assured truth, that the *cheapest Government is the best Government*—it carries all evidences of honesty upon the face of it. Hitherto, government has every where been the most labor-wasting machine that the selfish ingenuity of human contrivance has produced. Hence the dislike of all Governments to free trade. With free trade, and the downfall of indirect taxation, all national disputes will cease.



The sources of national contest will be dried up; and people will see universally, that peace is the manifest interest of all. But Governments will not see this, till the common sense of the people compel them to look at the question with honest eyes.

War is a season of prosperity to Governors and their agents, from the summit of authority downward; millions upon millions are borrowed of posterity, to be thrown away upon Government purchases and contracts of every kind. Then do their enriched adherents laud them to the skies. The people, meanwhile, stimulated by occasional victories, and still more by the appearance of universal employment and prosperity, owing to the quantity of borrowed capital suddenly thrown into the market, are alive from one end of the nation to the other. Contractors and tradesmen vociferate the general well-doing; speculation is active, banks are liberal, nobody is idle, all are pleased. But this cannot last forever: money cannot be borrowed by robbing our posterity without end: the belligerents, wearied with their hazardous amusements, call for peace. Then comes the balance-sheet;

Then comes the reckoning when the sport is o'er,  
The dreadful reckoning, and men smile no more.

Then also comes the breaking of banking speculators, the inundation of paper which there is no forced trade to employ any longer; then banks



refuse renewals, and press their debtors; then comes a paralysis of industry and employment, from the borrowed capital being withdrawn from the market; then come bankruptcies, curtailments of business speculation, and of domestic indulgences; then comes stagnation of trade, and laborers thrown out of work; and for four or five years, a time of distress, of mourning, of complaint, not causeless, but inevitable. The remedy for this accumulation of misery—the infallibly preventive remedy, is *abolition of indirect taxation and free trade*. There is no other.

*Of the Policy of Protecting Infant Manufactures.*

It is said, that whatever may be thought of the American system of protecting manufactures at home generally, by the prohibition of foreign competitors, the question of establishing and protecting a new manufacture, recently attempted, is a different one. It is not so: it is a part of the same system of diverting capital from the course it would naturally take, by the application of artificial temptations, and of profits made up by taxing the consumers.

If foreigners can supply us cheaper with the article proposed to be manufactured at home, it is a needless manufacture: if they cannot, it needs no artificial encouragement; there is no competition.

But we are required to pay a tax down—upon the nail—this year, and for an indefinite number



of years—and we are to be repaid in promises of future success! What set of manufacturers were ever known to fulfil a promise of this kind? Was it ever a proper time to take off a tax on foreign competition? Never. Experience has fully shewn, that the promise consists of words of course, meant for the purposes of present deception, and never intended to be fulfilled.

### *Of the Balance of Trade.*

The balance of trade is the gain or loss of a trader, (or a nation of traders,) on winding up his accounts at the end of the year. Where he is indebted upon the balance, he will have to pay in cash, or something equivalent thereto; where he is creditor, he will have to receive in cash, and the balance of trade is against him in the first case, and in his favor in the last. A trader may have a balance against him, with several persons with whom he deals; but upon the whole of his trading concerns, the balance, if he be reasonably prudent, will be in his favor; otherwise how can he carry on trade? Who will trust him, if he fails in his payments? So it is with every solvent merchant; the balance of his profits must render him a gainer at the end of the year. Failures and bankruptcies occur occasionally, but they are exceptions to the general rule; the majority of merchants are not only solvent, but wealthy.



As it is with traders and merchants generally, so it is with nations generally. They carry on trade, because it is their interest--because they find their profit in doing so. What is a trading nation but a collection of traders and merchants, who gain by their mercantile traffic with foreign nations, and with each other? It is not true that in trafficking, one party must of necessity be the loser; two men deal, because both are gainers by their mutual dealings. The balance of trade is in favor of each of them, or they would be very foolish if they carried it on. Why do I give five dollars for a hat? Because I want the hat more than the five dollars. Why does the hatter sell me the hat? Because five dollars is more valuable to him than the hat.

Oh! but if we can get the balance of trade with foreign nations in our favor, that balance must be paid in gold or silver! Well, why is gold and silver valuable? Because, say you, we can buy any commodity whatever with them. But, suppose gold and silver should become so accumulated, that we have more than we want, as is the case with every nation sometimes; then these coins will depreciate, and we must give more gold and silver for the same commodities than when they were scarce: what are we to do then? Can we do any thing else with them profitably, than send off the surplus to purchase commodities we stand more in need of, to coun-



tries where gold and silver are scarce and dear? Suppose a trader has accumulated in cash 500 eagles at the end of the year, does he keep them in his chest? He cannot eat, or drink, or wear them. Is he not driven to dispose of them for something he wants more, or to put them out at interest? Kept by him, they are useless.

If it be asked, whether it be prudent to send away so many dollars yearly to China to buy tea, I would ask in return, can you, or can you not, make more profit by the tea than by keeping the dollars, if you can buy tea with them? If not, keep them. In every possible case, men part with articles they can spare, to procure articles which they are more in want of.

But how are we to replace so much coined money sent away? Where did you get your dollars? They do not grow in your fields. But wheat, and flour, and Indian corn, *do* grow in your fields, and you purchased your dollars readily, by giving wheat and corn for them, to people who *have* silver, and *want* wheat and corn. You can do the same whenever you wish. Dollars will run away from the place where they crowd each other, as in South America, and so will wheat and corn from Pennsylvania, and so will cotton and rice from South Carolina, and tobacco from Virginia. Never fear; the merchant can manage this for you, when need requires it. His business consists in ascertaining where commodities are scarce, and where they are plentiful.



But, you ask, how can we get on when the balance of trade is perpetually against us, as with Great Britain for instance? I ask, how do you know this? You reply, from the custom-house entries; and I object that these entries never were, and never can be correct, for there are neither means nor motives sufficient to ensure correctness, as every merchant well knows. We import, you tell me, more than we export; and are therefore perpetually indebted to foreigners. So we ought. Let us state a case which we can all understand.

A planter of South Carolina sends 500 bales of cotton to Liverpool, worth at home \$30 per bale, or \$15,000; he has to pay carriage, freight, insurance, commission, to the amount of \$250. He buys with it, British goods to the value of \$16,000; this makes an excess of imports beyond exports; and yet the planter must sell his cotton at Liverpool for that price, or he cannot pay the expenses of freight, insurance, and commission both ways, even if he should realize no profit. To make a profit to the exporter, his return of imports must necessarily be more valuable, and bring more money at home, than the articles exported. Hence it follows that whenever the custom-house entries *are* correctly kept, every prosperous mercantile nation must exhibit an excess of imports above exports, equal to the expenses necessarily incurred, and the profits reasonably



expected. A nation does not carry on a profitable foreign trade, if her importations of foreign goods do not exceed in value her exports, by 15 per cent. on the average.

*Bullion, Coin, Paper Money.*

Bullion is gold and silver uncoined. Its value depends on the quantity of labor necessary to raise it from the mine, to smelt the ore, to refine the metal, and to bring it to the place where it is sold. If there be any duties chargeable on it, these also enter into the price or value. No metals fluctuate in value less than gold and silver.

They are convenient for coin. 1st. Because they are beautiful. 2d. Intrinsically valuable as articles of manufacture. 3d. Not much liable to diminution by wear. 4th. Not oxydable. 5th. Easily divisible into parts larger or smaller. 6th. Can be made of any given weight and purity.

When coined, the weight and fineness is seen at once by mere inspection, settled by authority of Government; saving the trouble to the holder, of ascertaining by weighing and analysing these two material points. The place where metals are coined is the mint: it is considered an exclusive prerogative of Government to coin, and fix the value of gold and silver so coined, as being the highest authority on which the people can rely. Most Governments charge a small premium for



coining, termed *seignorage*. The United States do not. The European price of gold at this moment, is very nearly sixteen times that of silver. But the American mint, acts upon the supposition that it is fifteen times the value only. Hence our gold coin is exported to Europe as fast as it is coined. The standard of fineness for gold, here and in Great Britain, is twenty-two carats pure gold, being twenty-four carats fine. An eagle, containing two hundred and forty-seven and a half grains of pure gold, and twenty-two and a half of alloy, is with us worth ten dollars, each dollar being worth not quite four shillings and two pence sterling, but very nearly so. The English sovereign of twenty shillings value, contains one hundred and thirteen grains pure gold, and ten and twenty-seven hundredths of alloy.

Coined money of gold or silver, is the circulating medium, standard, or measure of value all over the world. By a standard or measure of value, I mean what a store-keeper means by his yard-stick, or a carpenter by his two-foot rule: a measure arbitrarily appointed by the common consent of all dealers throughout the globe, to which, as a comparison, all other values are referred. Thus, a bushel of wheat is worth so much silver, a yard of cloth is worth so much, a day's labor is worth so much, a watch is worth so much. So that a comparison can easily be made between the relative values of all these articles,



because they all refer to certain quantities of silver coin.

The intrinsic value of the gold or silver as bullion, is of no consequence to its artificial value as coin; on the contrary, so far as it is liable to fluctuate in price as an article of merchandise, so far is it defective as a measure of value: for the value of the measure itself should, if possible be invariable and permanent. The only objection to a grain of corn, or a shell, or a stone, being money, is the facility of increasing its quantity; whereas, the difficulty of procuring bullion, is a safeguard against its decreasing in its value. It is with bullion, with coin, and with its substitute and representative, a bank note, just as it is with every other known article and commodity; when the market abounds with it, and the supply is more than equal to the demand, it is cheap—it is depreciated—more of it must be given for the same articles than when it is scarce, and *vice versa*. If 100 bushels of wheat are in the market for sale, and the buyers of wheat bring with them \$100 only, wheat will be one dollar per bushel: if the supply of wheat be 200 bushels, and only \$100 to buy it, wheat will be half a dollar per bushel: if the supply of wheat be 50 bushels only, and the buyers must buy, they must buy at the rate of two dollars per bushel. We shall see the important conclusions from these truths by and by.



In most countries, where commercial transactions are not often to a very large amount, the money, currency, or *medium of exchange*, is coined gold and silver. This is the case throughout Europe. In France, Holland, and some other places, banks exist of very limited operations comparatively; so that the currency of those countries may be regarded as coin. In Great Britain and the United States, the actual currency is about four or five parts paper money to one of coin.

*Paper money*, is written promises, orders, or obligations to pay certain sums therein specified, in current coin. These are bills of exchange, checks, or drafts on a bank; and the promissory notes of a bank, or of some private person, made transferrable or assignable.

When a man issues a *bill of exchange* payable in the country where he resides, it is a domestic bill of exchange: when it is made payable in some other country, it is a foreign bill of exchange. In both cases, it is an order drawn by one person on another, to pay to a third person, or to his order, at a certain time and place, a specified sum of money, current in the place where the payer lives, for value already received from the person in whose favor the bill is drawn by the drawer.

The person who draws the bill, is the *drawer*; he on whom it is drawn, is the *drawee*, or payer;



and the person in whose favor it is drawn, is the *payee*.

This bill, on being presented to the person on whom it is drawn, is accepted by him, which amounts to a promise on his part to pay according to the tenor of the bill. He (the payer) then becomes also the acceptor. If it be not duly accepted on presentation, or paid at the due time, a formal protest of the neglect or refusal, is made before a notary public, and the drawer is immediately advertised of the fact. This ought to be done without delay.

If, living in Boston, and having no money due to me at Charleston, I wish to transmit \$1,000 to Charleston, instead of sending the coin, I procure at Boston from some person having debts due to him at Charleston, a bill of exchange on some person in Charleston, in favor of my correspondent there, to whom I wish to remit the money. For this bill of exchange, I pay a premium somewhat less than the expense of transmitting so far off, the thousand dollars in coin, which premium varies according to the state of trade between the two cities, but never exceeding the price of transmitting coin. If much money be owing by Charleston to Boston, the draft on Charleston is easily procured, and the premium is low. If on the contrary, the balance of trade is against Boston, the bills on Charleston will be scarce, and the premium high; that is, the exchange will be



against Boston. Charleston sends cotton and rice to Liverpool, and purchases most of her goods at New York. New York buys largely from Liverpool. The Charleston merchant, therefore, sends to his creditor at New York a bill upon his debtor at Liverpool, and thus pays his merchant at New York. The merchant at New York can remit that bill to Liverpool, or to London, or to Hamburgh, where traffic is going on with Liverpool; and the brokers, or dealers in bills of exchange, can easily make it available among their customers. These bill brokers make it a business to know what is the relative amount of debts and credits between the commercial countries of the world, by the demand there is for bills of exchange upon all parts: thus it is, that the premium for bills of exchange is settled by the same class of dealers, exactly upon the same data, at London, Liverpool, Amsterdam, and Hamburgh; and the balance of trade between any two countries, is known by a near approximation to the truth. Upon this knowledge, the merchants every where regulate their traffic with foreign countries. Hence it is, that the place where merchants daily meet each other, to interchange communications, is called *the exchange*.

*Par of exchange*, is a term used to imply, that a bill drawn in one place or country, will command as much pure silver in the place where it is to be paid, as was given for it to the drawer. If



I buy bales of goods at Leeds, in Yorkshire, for £1,000 sterling, and pay for them by a bill on Charleston, payable in dollars, the par of exchange will require me to value my dollars at four shillings one and three-fourths pence sterling money; because an American dollar contains so much pure silver in value, at the price of pure silver at the mint of London.

Bills of exchange, therefore, follow the law of all other commodities, and are dear or cheap, according to the proportion between the demand and supply. That proportion depends on the balance of trade between any two places in question; and the merchants, therefore, export with caution, and scantily, to that place where the exchange is unfavorable. The rate of exchange, therefore, is the fly-wheel, the regulator of the commercial machine.

To that kind of paper money which consists of bills of exchange drawn in consequence of real commercial transactions, and not for the purposes of clandestine accommodation, (which does some times, but not often happen,) there is no valid objection to be made.

*A bank* is a labor-saving machine, in which persons deposite their surplus cash, and draw it out again in small sums by written orders, called checks, or drafts. The bankers find it worth while to receive these deposites, and keep the accounts, because there is almost always a sur-



plus balance in their hands, which they can lend out at interest for short dates.

Bankers also being men of reputed credit, issue their own promissory notes, payable on demand, which circulate in their own neighborhood as cash; and persons in want of temporary loans of money, borrow these notes, paying usual interest for the loan of them. But as a banker never knows how much of his coin may be drawn for, he never ventures to lend these notes for periods beyond sixty days; and he requires *at least* two responsible persons to be answerable for the due payment of the money at the expiration of that period, viz. the drawer, and the person who endorses over to the bank the promissory note of the borrower, payable at sixty days. Hence, the principal profit of a banker, is the interest he receives, not on the *cash* he lends, but on the *credit* he lends. The basis on which this system of lending his own promissory notes is built, is the actual capital he possesses, and the amount of deposits entrusted to his care.

The amount of notes that a banker can fairly and honestly issue on his capital, ought not to exceed what will bring him fair profits on that capital at the usual rate of commercial profits. Suppose, for instance, three partners set up as bankers; and each furnishes an actual capital in the outset of \$100,000, and that fair and reasonable profits on capital may be calculated at 12 per



cent.; then their \$300,000 ought to bring them in a clear income, after all debts, risks, and expenses are paid, of \$36,000. This will be produced by the loan at 6 per cent., of \$650,000, allowing \$3,000 to cover their expenses.

But paper money, (promissory notes on demand,) is manufactured so easily and so cheaply, that there is hardly a banking establishment that does not speculate on issuing four capitals instead of two. Trusting, as experience shows they well may, to their notes circulating without being returned upon them for cash by the holders, while they keep a sufficient supply of cash to answer all probable and customary demands. But I cannot help considering *that* promise as fraudulent and unfair, which undertakes to pay cash for bank notes on demand, to the amount of five, six, or seven times the actual cash that the bank is able to command. It is an unfair and uncommercial speculation on the credulity of the public, which ought to be discountenanced.

Experience has abundantly and undeniably shewn, that there is no check to the fraudulent speculations of bankers, no guard against their inundating the market of currency with excess of paper money, but compelling them inexorably, and under heavy penalties, to pay cash on the presentation of their notes without excuse or hesitation. I go further, being fully persuaded that that a banker who becomes insolvent by over is-



sues of paper money, ought to be punished as a criminal. He commits fraud with his eyes open; he makes promises to the public which he knows at the time he does not possess the means of fulfilling. Bankin furnishes many conveniences to persons engaged in trade and commerce, such as temporary loans to merchants and traders, the easy transmission, and even the counting of large sums, and a stimulus to enterprise often very valuable; but the whole system savors too much of doubtful morality; and the mischiefs attached to it, overbalance, as many judicious persons believe, the good it performs; and so they would, if they were irremediable.

Here in the United States, the actual amount of coin does not quite reach (1833) twenty-five millions of dollars: the amount of paper money is about one hundred and twenty millions. Two or three questions of great moment arise:

1st. Can our commerce and trade be carried on by coin alone? *If it can*, I have no doubt about our being able, in a comparatively short time, to procure the metallic medium necessary for the purpose. We can easily buy gold and silver.

2d. What is the effect of an over issue of paper money, beyond the actual demands of commerce?

3. What is the general effect of banking on the community?



As to the first question, a merchant in Maine or Vermont, wishes to transmit \$5,000 to Louisiana. Let us suppose a possible case, that a bill of exchange is not procurable, or not procurable at a moderate premium. How is he to transmit it, if there be no bank notes? A friend of mine, many years ago wrote to me, that he had received in common course, and transmitted a sealed bag of rupees, to the amount of 1500, from Agra to Labor, in the East Indies. Can we go on with our great payments by transmitting cash? Must we not have some contrivance of paper money to facilitate such a transmission? If a system of bills of exchange can be frugally established, and extended so as to effect this, it is well; but I am not wise enough to chalk out the plan. I do not know the contrivance in the the East Indies by which the Banyans have superseded their sealed bags of rupees, which used to pass unopened for years together. This is to me a strong argument in favor of some kind of paper system. Who would like to carry about them even ten or a dozen eagles?

As to the second question, the effect is to make currency over-abundant in the market; to drive away coin; for coin is exportable, and paper is not; to raise the nominal price of every article by the too great abundance of paper currency set in exchange against it, to depreciate that currency so much, as to make a difference between paper



money and coin, even in the market payments, as I myself have experienced more than once in Philadelphia; to obstruct exportation, by raising the nominal price of exportable articles; if we can just send wheat abroad when it is a dollar a bushel, and the over issues of bankers raise the home price to a dollar and a quarter, it will be no longer an exportable article; to destroy public confidence in the money that would otherwise pass; to occasion a run upon the bankers, through a reasonable panic for the non-payment of notes; to produce in this way the insolvency of banking houses and holders of bank paper;—one hundred and ninety-five banking houses have become insolvent since 1820;—lastly, most of these evils fall on the poor, who are cheated by low paper money of a dollar and under, and who are most liable to confidence, and of course to deception.

No bank note of any description under ten dollars ought to be permitted; and even this sum is too low, fully to counteract sudden panics, and to guard the poor.

As to the third question: what are the uses and abuses of banking, the good and evil attendant on the system? The uses have already been mentioned, and they are obvious and undeniable, greatly smoothing the temporary difficulties of trade. But, every bank note contains on the face of it, a promise which cannot be fulfilled; the



temptation to multiply these fallacious promises increases with the unreflecting confidence of the public. Banks are frequently checks on the daring over issues of each other arising from competition; but there is more often, a mutual connivance arising from combination.

These facilities of issuing paper money, afford temptations and facilities to borrowing; of course to over-trading, the necessary result of over-banking; to bold and imprudent speculation; to extravagance at home, and want of due caution in carrying on trade.

Banking, of necessity requires full and responsible security for the bank loans, so that when a bank or a trader becomes insolvent, the misfortune extends to all the guarantees on the borrower's security given to the bank.

Banking, moreover, affords its facilities never to the poor, but as much as possible to the rich. The poor deal but in small and insignificant sums, not worth the attention of a great banking house. Hence these institutions tend to make the rich richer, and the poor poorer and more dependent. They exclude poor competitors, and thus they increase the overwhelming influence of wealth. They tend mainly to create a moneyed aristocracy. In all modern societies, the poor are too poor, and the rich are too rich; even in this country, where we have wisely abolished the privilege of primogeniture.



But by far the greatest evil of paper money, is the fluctuation in the quantity of it, inducing as an inevitable consequence, fluctuation in the quality and value of the currency; a commodity, which, like every other, follows the laws of demand and supply.

Suppose a country town of fifteen hundred people, and three or four stores in it to furnish the goods wanted by the tradespeople and the farmers and their wives, who, working hard, lay out their savings cautiously. A new bank is set up; the tradesmen and farmers are tempted to borrow; they endorse for each other; \$10,000 are added to the circulation in half a dozen months, is it not evident that money will be laid out with unwonted facility; that the farmer's and tradesmen's wives and daughters will purchase more liberally at the stores; that prices will rise, partly from more ability to purchase, and partly because it is not now so necessary to make hard bargains, and to look regretfully at parting with a dollar? Every body is stimulated by the unusual and plentiful supply, and the prices of all commodities are enhanced by increased demand for them, and increased ability to purchase. Where the rise in price is general, no one who is a seller as well as a buyer, need complain. The increased price he has to pay, he can receive back by enhancing the price of the articles he sells. But to persons who are neither buyers nor sellers, but



who live upon *fixed incomes*, the rise in prices is a heavy tax upon their income, and an unexpected defalcation from their resources sometimes hard to be borne. Persons who labor for fixed wages, salaried officers, annuitants, mortgagees, land owners who have let their property for a fixed rent, all persons whose contracts were made previous to this influx of additional currency, feel the rise of prices come upon them as a blight. Were we not in these United States driven by the dictates of common honesty, in two or three years after the close of the revolutionary war, to adopt a scale of depreciation? Was not our paper currency increased till the holders of it would often sell five hundred dollars for one? Was not the making it a legal tender, felt as downright robbery by every creditor throughout the Union? The additions of the currency that made it valueless at that time, and which did the same with assignats in France, only produced more extensively, what more limited additions to the currency will always do in a proportional degree. It is not incomes only that are affected by needless, speculative, unnatural additions to the currency. Government taxation, rents of lands and houses, property of every description, contracts of all kinds, are affected by it. Sums borrowed when a dollar would purchase a bushel of wheat, are inadequately repaid, when a bushel of wheat sells for a dollar and a half: the lender loses in fact 50 per cent.



Moreover, when there are issues of paper money beyond the demand for currency by the actual *bona fide* transactions of commerce, the gold and silver constituting a portion of the surplus currency, is exported ; for paper money is not an exportable article. Hence the excessive exportations and the scarcity of coin in Great Britain during the restriction act of 1797, continuing for near twenty-five years, and prohibiting coin payments at the Bank of England ; and when a guinea sold for twenty-seven shillings in paper. Such was the case with us, just before the Bank of the United States went into operation, in January, 1817. During the two preceding years, a silver dollar became almost a curiosity.

Now, suppose that these too liberal, these improvident and dishonest emissions of bank paper to be cried down, and that the banks, to save themselves, suddenly and greatly curtail their discounts, call in their paper, and exact their debts, pressing hard upon their customers ; is it not evident, that an outcry arises about the scarcity of money ; current paper becomes suddenly enhanced in value ; the prices of every commodity, and of all kinds of property fall ; traders and merchants stop payment, and vast amounts of the property of persons heretofore solvent and responsible, are forcibly brought under the sheriff's hammer ? The very necessary but very rigid refusals of discounts which Mr.



Cheves found necessary to save the credit of the bank over which he presided, will be long remembered. Under such fluctuations, no man can scarcely tell who is likely to remain solvent, or what price property of any kind is likely to bring in the current money of the country.

Hence it follows, that great additions to the paper currency, through competition or combination among bankers, for selfish and speculative purposes, of avarice of gain, puts in jeopardy the whole property of the country, which is thus placed at the mercy of the banking system.

All accommodation notes, all loans for a long period, all sums advanced to Government, are so many ways of causing improper over issues of paper money. Hence the absolute necessity of prohibiting the Government from having any connexion with any bank : all governments are wasteful and dishonest, they are the most labor-wasting machines of human invention, and their power and safety is increased in proportion to their extravagance.

As to banks, which I suspect are too useful to be dispensed with entirely, the remedies to be applied against their tendencies to selfish over trading, are, 1st. Penalties on the refusing of cash for their notes, to be recovered at once, *by summary process*. 2d. Quarterly publications of the state of the bank, their discounts, emissions of notes, and the amount of cash in their vaults ;



cash not borrowed for a few days for the purpose deception. 3d. A prohibition against the emission of bank paper beyond three times the coin in actual possession, and the *bona fide* property of the bank. 4th. A prohibition of all paper money under ten dollars. 5th. Every partner in a banking house, to be responsible for the debts of the firm, as in other partnerships.

Incorporations of firms with unlimited power of running in debt, and a limited responsibility, are acts of national dishonesty. In fact, a republican government, where men meet upon terms of mutual equality, to form a political community, it is an implied condition of their common compact, that there shall not be a privileged or favored class of any description. No advantages ought to be given by a legislature to any person or persons whatever, that are not open and common to every one. No privileged orders, classes, or incorporations; no moneyed advantages or monopolies of the few against the many. The terms of the compact are *equality of rights*, and no exclusive or favored class.

### *The Poor. Savings Banks.*

The first and most obvious way to prevent poverty, is to facilitate the accumulation of capital, which, in its expenditure, furnishes wages and employs labor. To do this, we must give no encouragement to any class of unproductive




and merely idle consumers, by any form of artificial regulation; and on the part of the public, we must furnish encouragement and subsistence to those only who are willing to work for it in some productive or useful way. Crime is not the result of mere poverty, so much as of pauperism, idleness, the offspring of the poor laws. Poor laws, and poor rates, may prudently be enacted, to support, 1st. Persons disabled by accidents, and unavoidable misfortune. 2d. Persons of good character disabled from labor by disease, by infancy, or old age. 3d. Females deserted, or left destitute with families. Always provided, that it shall appear on examination, that their disabilities have not been the results of drunkenness or of crime. Such persons are not entitled to relief; and it would be an encouragement of vice to afford it. If they starve, their condition has been brought on by themselves. In such a country as ours, men and women who crowd the market of labor in towns, should be told to go elsewhere, where labor is more in demand. To maintain persons in idleness at one place, who are capable of working, and are wanted at another, is to increase the unproductive class of society, and to tax the frugal and industrious in favor of extravagance, ignorance and idleness. This is a system which takes away from the poor all incentives to industry and frugality. It teaches them the folly of laying up



for old age, and of abstaining from indulgences in dram shops, because, if they spend the money that ought to support their families, the parish or township will provide for them. It gives to idleness the wages of industry; it generates a systematic disgust for honest labor. The more paupers you support, the more you will have to support; till like the pauper system of England, the expenses run up here to the enormous and increasing amount that they have arrived at there, viz. £8,638,461 sterling, for the year 1832. That increasing burden will weigh down the middle ranks of people in that country, and convert them into paupers, if some means are not devised of getting rid of it altogether. I can see none but exportation.

No system of poor laws can permanently relieve the poor, unless in cases of accident, or loss of faculties; cases that occur rarely. Capital, the accumulation of individual savings, ready to be employed productively, is the only subsistence fund that labor can look to, and laws cannot increase that. You must therefore increase capital indirectly, by removing the obstructions of injudicious legislation, or decrease the number of claimants upon it, if you would decrease want and poverty. You can only decrease the competition of laborers, by discouraging marriages among the poor, which they will not submit to, or sending them away to distant colonies. Poor



laws, instead of increasing capital, decrease it, by forcing it out of the pockets of the industrious, who would make it productive, to be spent unproductively in maintaining the lazy, the extravagant, the vicious part of the community, in comparative, or in absolute idleness. These laws not only waste capital, but they increase the number of unproductive consumers, by holding out a premium for idleness, thoughtlessness, extravagance, and vice. Such persons look to the poor-fund for an idle subsistence; and the greater the increase of the poor rate, the greater the number of claimants upon it; and the greater is the disregard of poverty among the poor, for you encourage their improvidence and their laziness; poor rates thus increase, till lay-payers are gradually absorbed into the class of lay-receivers; a process now in full operation in England.—Laws more completely hostile in practice to the intent of enacting them, could not have been devised by human folly. The objections to them, apply to every charitable institution, which takes away from the poor the motives to industry in earning, frugality in spending, and self-denial in saving. The poor rates of England are now beyond forty millions of dollars a year. Let the poor rates of New York and Philadelphia be examined, and the proportionate increase within ten years, will exhibit symptoms of imitating the extravagant folly of the mother country.  A



very valuable paper on the *poor*, in Walsh's American Quarterly Review for September, 1833.

During Mr. W. Pitt's administration, Mr. Rose, of the treasury, took great pains to establish and mature the modern system of *savings banks*: institutions, where the poor were allowed to deposite at interest, every saving from their wages, however small the amount. These banks are conducted by officers appointed by the poor themselves, who there make their deposits; and the profits, if any, go into the common fund. Many millions of money are now put in safeguard in these institutions, greatly to the benefit of the morals and the pockets of the industrious class of poor. They have received, as they ought, great encouragement, and decided public approbation.

Joint fund societies of men, and of women of small fortune, uniting as in Roman Catholic countries, to live together as a common family, and thereby enable their funds, by co-operation, to afford more of the comforts of life, is a very useful plan, not yet in vogue in England, though patronised in one instance by Charlotte, the Queen of George the Third. Under her auspices such an institution of well-bred females of decayed fortunes, was instituted with good effect somewhere near Bath, in England. It is a plan that deserves more consideration than has yet been given to it. A large boarding house, un-



der the exclusive management of the boarders, might be made a very desirable retreat, if managed with good temper.

### *Education.*

The labor of men's hands, is indeed the great source of individual and national wealth. But the mere results of manual labor are comparatively small, unless directed by the labor of the human brain. The astronomers, the mathematicians, the engineers and mechanists, the chemists and botanists of Europe, have, within this last century, contributed their full share to the useful and productive effect of human labor, and to the permanent amount of at least fifty millions of laborers. This head-work, this labor of the brain, comes mostly from the persons who live in the middle class of life, apparently as unproductive consumers, and who cannot or will not work with their hands.-- James Watt, Richard Arkwright, and Robert Fulton, have been worth a permanent population of three millions of working men, at a low calculation. Look at the numerous and successful labor-saving machines invented, patented, and in successful operation in this country alone. It is of the very last importance, therefore, to the propagation and permanent support of human beings, to their sustenance, to their comfort, and happiness, that every facility



should be given to this most useful class of men, whom the ignorant and the vulgar look on generally with contempt, and whom it was and even still is the fashion to call theorists, projectors, speculators! A wise people, therefore, will set their faces against this drag-chain prejudice of ignorance and vulgarity, by looking upon it as a duty of the very first necessity, to provide the means of education for every member of society, to enjoy, if he thinks fit, without paying for it in money. It is not from the aristocracy of wealth that we are to expect contributions to the mass of useful knowledge. We talk (talkers as we are) without end about public education; and nothing is yet efficiently provided. That State will lead the Union, that furnishes the best and the most complete education to her citizens. It is done no where yet; not even in England, although she is far ahead of us.

Every State ought to have at the public expense, even if it should cost half a million or a million of dollars, *an university*, with ample provision of professors, astronomical, mathematical, mechanical, chemical, botanical apparatus, and a good library of at least 20,000 volumes. Add to the university at least two *collegiate* institutions, where elementary knowledge of these branches of science should be taught, furnished with adequate apparatus.



*Grammar Schools* will also be necessary at every court house, and in every parish or township in the State, with able teachers.

The pay of the chief instructors, ought to be the average at least of what they could earn as lawyers or physicians. There is no saving in the employment of inferior men at inferior salaries ; such are like cheap goods, the dearest in the end.

Every one of these institutions should be at the State expense, and every human being should be at liberty to use them *gratis*. No elector should be permitted to vote, who did not write his own ticket. Such are my opinions, after seeing much, and thinking much. But I look for no converts to them for two generations to come. People have in their mouths the common adage, that knowledge is power ; but men of science alone can fully appreciate the truth, that knowledge also is wealth. It is seldom wealth to the individual who possesses it. For the most part, the pursuit of knowledge and the pursuit of riches are incompatible to the individual. But the result to the nation and to the world, is a truth too firmly established to be shaken. The catenations, connexions, and accumulations of the fragments of knowledge, always tending to approximation, form a mass, an aggregate of value, absolutely incalculable. The sooner we see and feel this among



ourselves, the sooner we shall meet the reward it is sure to bring.

It has been doubted whether Government ought to be at the expense of colleges and universities, even by many who are advocates for public schools. They urge that the poorer class cannot afford to send their children till the age of twenty-one to college ; and that the higher grades of knowledge, are mere luxuries for which the wealthy who wish for them ought to pay.

I reply, experience has fully shewn, that the higher the grade of knowledge among the highest class, the higher will be the grade of knowledge throughout all classes of society.

2dly. That those countries like Great Britain, France, Germany, Prussia, Holland, which have had most experience, and derived most profit by the scientific and other attainments in knowledge of their citizens, have been, and at this moment actually are, the most anxious to possess institutions as complete as possible to teach whatever it is desirable to know. For it is no longer a disputable fact, that the higher grades of knowledge are sources of wealth, of power, of enjoyment, and of moral dispositions, to the nation.

3dly. That many professions of the very last utility, require no small share of the higher grades of knowledge, to be pursued reputably



and successfully ; such are those of an engineer, and of an architect, of whom it is demanded in Europe, that he shall be skilled in drawing, in all the mathematical branches applicable to mechanics and machinery, in the higher calculus, without which he cannot demonstrate his proposals ; in chemistry and mineralogy, applicable to every day's business of his life ; and this, not superficially, but profoundly. Without a familiarity with these branches of knowledge, a man would exhibit a sorry figure as a member of the voluntary association of British engineers. In how many of our States could we adequately educate such a man ?

4thly. That many other branches of knowledge, and objects of inquiry very interesting to civilized society, cannot be pursued without access to extensive libraries, and are never pursued as objects of pecuniary profit to the individual. He must pursue the study for its own sake, and from the honorable motive of earning the approbation of the literary world. There is therefore no sufficient inducement to a parent to support institutions that furnish the means of these acquirements of uncertain utility in a pecuniary point of view. Yet to the national interest, and the national reputation, they are absolutely necessary in the present state of civilization. What pecuniary motives actuated Kepler, or Newton, or Laplace, or



Adam Smith, or Cuvier ? Is not the value of such men incalculable ? Yet they could not have earned by their pursuits the wages of a common clerk in a compting house.

For all such institutions, libraries, extensive apparatus, mathematical, mechanical, astronomical, chemical, anatomical, mineralogical, geological, botanical, are absolutely necessary. In this country, where we possess them imperfectly, few persons are aware how very desirable they are to the studious inquirer ; what a want they constitute, and how depressing it is to the ardor of men of talent bent on the acquisition of knowledge, to seek for them, to long for them in vain ! No man can describe this, but those who have been habituated to literary and scientific exertions with an impulse that no expected emolument could ever give. Nothing but the stimulus of knowledge, and the hopes of honorable fame : Will Bowditch be repaid for his edition of La Place ? How very few among us are capable of appreciating the exertion ?

But can all this be expected of a man compelled to exercise for subsistence the office of an instructor ? Even if he possessed the capital, how would he be repaid for the outlay ? Hence, these institutions become the imperative duty of government, wherever there is civilization.



*On the Distribution of Wealth.*

This is in truth a very melancholy part of the subject. A million of the inhabitants of Great Britain have not at this moment a full supply of the necessities of life, while eight hundred individuals in that country could be pointed out, who might pay off the national debt of £800,000,000 sterling between them. There is one income of £300,000 a year, and very very many of 10,000, 15,000, 20,000, and so on to £100,000 a year. There is something wrong in this. If the public protect this most unequal accumulation of property, they have a right to dictate the remuneration and the terms.

There are among us, some very ignorant and silly people, who would prohibit the testamentary disposition of accumulated capital and landed property. That is, they would annihilate every strong motive to work and labor to increase the amount of wealth, by any means of improvement. For who works for himself? Do we not all work for our families? If it were not from this motive, the accumulated capital of the nation would be reckoned by cents, not by dollars, and the fields would be exhausted, and left an unproductive desert. Does any one of these reformers conceive that his neighbor will labor all his life for the reformer's benefit?

The saying that every man is born free and equal to every other, like all other sayings un-



ounded in truth, has done much harm. No human being ever was or ever will be born free, or live free from the control of his fellow men. No set of men, from six hundred to six millions, were ever born equal in size, in strength, in health, in natural intellect and capacity for improvement. And if they were, the variety of circumstances to which they are exposed from their birth, will produce inequality from the very first month of their existence. Where is the use of basing a political theory on a false fact? Even their equality of rights is conventional. The *natural* foundation of right is power. There is no other. It is power that renders the human being the commander of the brute, the male of the female, the man of the child, the strong of the weak, the wise of the ignorant. To prevent the mischiefs arising from the selfish exercise of power by individual over individual, men increase their power for particular purposes by union. Political communities unite to suppress individual tyranny, and find it their interest when thus uniting, to declare that they unite on the basis of individual equality as to rights.

Hence, as inequality of power and inequality of energy and exertion are laws of nature, inequality of accumulation, and inequality of property are so too. All we can do, is by the united strength of society, to keep this natural ine-



quality within limits dictated by the common welfare of all. But we cannot annihilate inequality of effort, of exertion, and of acquirement; nor ought we if we could; for every thing valuable, the produce of human industry, is the result of it.

I know nothing that can smooth this inequality in the distribution of wealth, but a practical adherence to the following plain rules :

1. Throw no obstacles in the way of the poor to prevent their emerging from their state of poverty : give to all their exertions full and fair play.
2. Create no *artificial* distinctions or privileges, but such as are absolutely unavoidable: none for which the public does not receive full compensation.
3. Throw the whole burden of taxation on the rich.
4. Continue the exclusion of the privilege of primogeniture, so as to prevent great accumulation of property.

After this, we can do little that I can suggest.

### *Of Primogeniture.*

Dr. R. Chalmers, in his “political economy,” is a strong advocate for the law of primogeniture. His reasons, in substance, are these;

1. The unproductive consumption of the nation is greater in proportion to the number of unnecessary land owners that subsist from a given quantity of land. One family can manage ten thousand acres as productively as ten fami-



lies each on a thousand acres. It is the question of large and small farms.

2. The disposable population is greater in number when the wealthy class who need not labor is encouraged. For those who are employed productively cannot be spared.

3. The amount of disposable wealth for Government taxation is greater : for the tax that would defalcate greatly from the comforts of a man of £1,000 a year, would hardly be felt by a man of £10,000.

4. The beneficial influence on society of a numerous and wealthy aristocracy in morals, manners, taste, and refinement, is undeniable.

5. The subdivisions of land, where all children are equal claimants, would gradually fritter down proprietors to quantities so small, as to exhibit a miserable population of pauper land owners, as is exactly the case in Ireland, and threatens to be in France. Every thing like wealth, and all the benefits that flow from accumulation, will gradually disappear.

But what is to become of the younger children of the aristocracy? Dr. Chalmers provides for them, by billeting them on the church, the army, the navy, and the salaried offices of Government. Such are the notions of this economist of the aristocracy. To which I would reply :



That, the inequalities among men inevitably resulting from their uniting in political communities, require rather to be repressed than encouraged; seeing how apt they are to exhibit the melancholy contrast of enormous wealth, and distressing poverty. The natural inequalities among men, are quite sufficient, without introducing any artificial inequality that can be dispensed with. Equality, says the law, is equity. That, the distinctions among children, introduced by the law of primogeniture, are manifestly abhorrent from the dictates of parental duty. They are immoral and unnatural. The claims of every child upon a parent are equal, if not forfeited by misconduct. That, the greater necessity there is for energy and exertion to rise in the world, the more of it will be exerted, and the more beneficial will be the result to society. Among the persons born to hereditary wealth and distinction, the proportion of those who have contributed to the increase of science, of art, or of literature, otherwise than by expending their superfluous wealth in luxuries, is very small.

Dr. Chalmers's first argument is valid only, on the supposition of the wealth of the great land-holder being expended productively, which may be, but more often is not, the case.

His second and third reason, relate to the facilities of Government raising great taxes to



support wars ; which, in a modern republic, is a very questionable benefit.

His fourth reason is too doubtful to be admitted. And the effect of wealth is not excluded in a nation where *every one* exerts himself to accumulate.

His fifth argument may be answered by a prohibition to the division of landed property below five hundred acres. And an appeal to a jury of division, on a view, as is the practice in our orphans' courts.

But his mode of providing for the aristocratic progeny of younger children, renders the whole of his reasons absolutely laughable. A scheme that requires an expensive church establishment, a government of numerous salaries and places of emolument, and an army and navy to support it, is a scheme that common sense and modern experience revolts at. This is a theory framed for the defence of British abuses, and a permanent order of hereditary rank and privilege. It is out of the question here. J